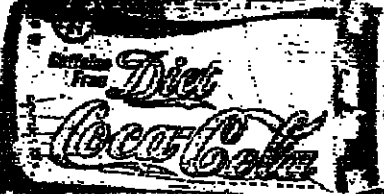


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## Hussein: Crisis is over, Iraq is to blame

Jerusalem Post Staff and news agencies

THE Jordanian government yesterday proclaimed the security crisis over, as King Hussein stepped up accusations that "foreign parties" were behind the two days of bread riots that shook the kingdom.

"The situation is totally under control... Everything has been very quiet in the country," Hussein said in an interview shown on state-run television.

"I believe there were foreign parties [involved in the riots] and our investigation is going to show all of that," he said. "My appeal to people is to think before they do something, but it also appears to me that it was a planned thing and there were parties who were moving from one area to another to excite people in a designed operation."

CNN said the king told it that Iraq was responsible. Hussein and Prime Minister Abdul Karim Kabariti have led the reversal of Jordan's once close ties to Iraq over the past year.

"I think, sir, some of these people [in the riots] are known to be people who were either educated in Iraq or had sympathies toward Iraq," Hussein said.

Those involved in the riots dismissed suggestions of outside involvement, saying the unrest was a product of deepening economic hardship.

When violence erupted on Friday, three days after the government doubled the price of bread, Hussein vowed to crush the protests with an "iron fist" and ended the summer session of the lower house of parliament, where there was little support for the price rise.

However, the riots that had flared in Karak quickly spread to nearby towns on Friday. Clashes continued in Karak on Saturday and also broke out in a poor district on Amman.

Information Minister Marwan Muasher yesterday said the "crisis passed peacefully," but that Karak would remain under curfew and those suspected of violent protests are being rounded up.

Muasher said security forces had arrested "several people who were responsible for acts of sabotage."

Residents of Karak said security forces had arrested up to 120 people.

Wafa, the PLO press agency, said that Palestinian Authority Chairman Yasser Arafat sent a message to Hussein expressing his concern over the bread riots. The protests over the price rises have sparked fears that Palestinians in Jordan will be accused of anti-government activity.

The riots were the worst violence in Jordan since those of 1989, which also were triggered by government price rises. Hussein then responded to popular pressure by changing his prime minister and starting democratic reforms.

The proclamation of normality by the government left Kabariti, who was the focus of the protests, and the vocal Moslem-led opposition at a political impasse.

A coalition of 11 parties blamed the government, which the king appointed in January, for the riots and has demanded its removal.

The opposition, including the powerful Islamic Action Front, also condemned Hussein's vow to crush the protests, saying its followers would never bow to oppression and injustice.

But the Kabariti government, backed by the king, has been uncompromising.

"We are convinced of the move we took after a broad dialogue and would not go back on it," an official said.



Prime Minister Binyamin Netanyahu (right), Tel Aviv Mayor Ronni Milo (center), and Transport Minister Yitzhak Levy look on as the machine test drilling for Tel Aviv's new subway goes into action. Story, Page 12. (Alon Ron/Israel Sun)

## Netanyahu, Levy set rules for work relationship

Shomron to head steering panel with PA

FORMER chief of general staff Dan Shomron will head the steering committee for the negotiations with the Palestinians; Prime Minister Binyamin Netanyahu will oversee the peace process; and Foreign Minister David Levy will not be left out of policy-making, Netanyahu and Levy agreed in a meeting yesterday.

This understanding ended, for the time being, the rift between Netanyahu and Levy, who was angry over being left out of the peace process and threatened to resign.

Netanyahu and Levy agreed on rules for the relations between

their offices, and a written agreement on each office's role in foreign policy-making is being hammered out. The document is expected to be completed today or tomorrow.

Netanyahu and Levy also agreed to set up a steering committee on the talks with the Syrians and the Lebanese, which will include Netanyahu, Levy, and Defense Minister Yitzhak Mordechai.

The prime minister got his way so far as the Palestinian steering committee is concerned. It will be headed by Shomron, who will soon confer with both Netanyahu and Levy, so no one will feel left

out.

After sulking for two weeks, Levy's main achievement seems to have been an ego boost, admitted his confidants, a few of whom accused him of having buckled under.

Levy maintained that he would have resigned yesterday if Netanyahu had not broken the impasse. He claimed that he had come to the Prime Minister's Office with a letter of resignation in his pocket.

Levy's last act of defiance in this round was his failure to show up at a session of the inner cabinet on Hebron, which immediately preceded his meeting with

(Continued on Page 2)

## Levy wants to explain to EU why Israel won't allow Orient House visits

FOREIGN Minister David Levy says he wants to hold a meeting in Europe with the rotating three-member European Union (EU) leadership to explain why Israel will not permit the EU foreign ministers to visit Orient House, the PLO's Jerusalem headquarters.

Levy returned to work yesterday after a two-week absence due to a spat with Prime Minister Binyamin Netanyahu. He indicated it was preferable to hold the meeting in Europe so as to avoid a confrontation.

Officials say that a month ago the EU leadership, known as the troika, asked to visit, but the request was not accepted due to

the Orient House issue.

Israel views visits by foreign leaders to Orient House as a tacit recognition that eastern Jerusalem should be the capital of a future Palestinian state. However, the Palestinian Authority has denied that any official business is conducted there.

Speaking on Israel Radio yesterday evening, Levy declared: "I am convinced that we can persuade them to meet shortly in Europe. It will be my chance to clarify this central message" of opposition to an Orient House visit, due to its political implica-

tions.

Officials say Levy would be happy to meet the troika anywhere in Europe next month. At present, Ireland holds the six-month chairmanship of the EU.

In a summit meeting in June, the EU sought to avoid embarrassing the new Netanyahu government and deleted its past call for all European ministers to visit "Palestinian institutions." Yet, a month later, it was decided by EU foreign ministers that, while all the members nations were exempt from making such visits, the EU leadership would be obligated to visit Orient House while on official trips to Israel.

## Religious parties seek to rein in High Court

Jerusalem Post Staff and news agencies

RELIGIOUS MKs are drafting legislation requiring Supreme Court nominees to win Knesset confirmation, a move sure to inflame mounting secular-religious tensions, Channel 2 reported last night.

"We may have to enact very clear and explicit legislation regarding the authority of the Supreme Court," MK Rabbi Avraham Ravitz (United Torah Judaism) told Channel 2 TV.

Channel 2 said UTJ leaders and religious allies agreed on the proposed bill Friday, a day after the High Court of Justice upheld an earlier injunction to keep Jerusalem's Rehov Bar-Ilan open on Shabbat until a public commission can decide on the issue of Shabbat road closures.

Asked to respond to the report, Prime Minister Binyamin Netanyahu said, "The Supreme Court is a respected institution... Its status is secure."

According to the TV report, the religious parties soon plan to submit a bill requiring all prospective justices to pass a vote in the Knesset.

Justices already on the bench

would have to undergo retroactive confirmation, it said.

Ravitz did not directly confirm such a bill was in the works, but maintained there are "loopholes" in existing laws enabling the court to intervene in political issues "and we need to fix this."

The TV quoted Shas spiritual leader Rabbi Ovadia Yosef as saying that "the time has come" to reign in the Supreme Court because its actions make religious Jews "feel like we are still in exile."

Legal commentator Moshe Negbi said that if the proposal was adopted "the court will not be able to carry out its task of upholding civil rights, and protecting the minorities." "Such a law would turn the Supreme Court into a political body," Negbi said. "It shows how little they understand the role of the court."

Negbi said the Knesset used to appoint justices in the state's early years, but in the 1950s the state established a nine-member nominating panel that includes two ministers, two MKs, two judges, and three lawyers.

## 11 prison officials charged with negligence over Ashmoret breakout

RAINE MARCUS

ELEVEN Prisons Service officers, including the commander of the northern district, the district's security officer, and Ashmoret Prison's warden, are to be subjected to disciplinary proceedings before permanent decisions are reached regarding the escape of two security prisoners from Ashmoret two weeks ago.

A committee set up by Internal Security Minister Avigdor Kahalani to probe the escape released its findings yesterday, revealing faults in the prison's structure, the incorrect employment of security prisoners to

carry out renovation work, and the wardens' indifference to warnings and failure to carry out orders.

Prisons Service Commissioner Arye Bibi was not held responsible for the escape, nor were other top brass. The most senior officer to be reprimanded is northern district commander Ya'acov Nimrod.

"After the proceedings against other officers, we will know if anyone will be transferred from the Prisons Service," Kahalani told a press briefing.

(Continued on Page 2)

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### New York Times

The New York Times Weekly Review Section does not appear in today's paper due to a technical problem. We apologize for the inconvenience.



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## Jordan names new Al-Aksa director; PA keeps old one

BILL HUTMAN

THE competition between the Palestinian Authority and Jordan over Al-Aksa Mosque - which has already resulted in the existence of two muftis - now appears to have left the holy site with two directors.

The Jordanian Ministry of the Wakf last week appointed Izzat Duffash as its new Al-Aksa director. However, the present director, Mohammed Hussein, also a Jordanian appointment but identified closely with the PLO, is being kept on by the PA.

For over a year, there have been two muftis at Al-Aksa - one appointed by the Jordanians and the other by the PA - and it is expected that the move by Jordan and the PA last week will similarly leave the site with two directors.

Israeli officials are watching developments at Al-Aksa closely, in particular as the PA, under the Oslo Accords, is forbidden to operate in Jerusalem.

Israeli authorities, however, have largely looked the other way with regard to the PA's presence at Al-Aksa.

Israeli sources said that Duffash, a long-time Wakf official from Hebron, took a leave of absence immediately after his appointment, hoping to avoid the storm surrounding the move.

The PA has already managed to isolate the Jordanian-appointed mufti, using a combination of threats and physical pressure on people coming to him to make it difficult for him to work, and Israeli sources said it would likely try to do the same with the Jordanian-appointed director.

Wakf Director Adnan Hussein denied there is any dispute. "There is nothing at all going on. We are talking simply about internal arrangements in the Wakf, and nothing more than that."

Hussein charged that Israel is trying to make an issue out of the matter, in light of its interests at the site. Hussein and Duffash could not be contacted for comment.



Health Minister Tzahi Hanegbi (left) awards Nahal Staff Sgt. Tomer Assuel second prize - a package tour to Turkey - in the "I Quit, I Win" smoking cessation campaign. The campaign was open to those 18 and over who had smoked at least one cigarette a day for a year and quit at least a month before the lottery was held. It was organized by the Israel Cancer Association in conjunction with the Health Ministry. (Avi Hayoun)

# Settlers plan public campaign against Hebron redeployment

SETTLEMENT activists were meeting late last night to formulate a public campaign against Defense Minister Yitzhak Mordechai's plan to redeploy from Hebron, which they charge is little different than that of the Labor government.

In addition to representatives of the Jewish communities in Hebron and Kiryat Arba, the meeting was attended by various right-wing activist groups, including Mateh Ma'amatz, which organized many of the protests against the previous government. It was not known if the Council of Jewish Communities in Judea and Samaria sent a representative. Council spokesman Aharon Domb said most of the council's senior people were at other, previously scheduled meetings.

Prime Minister Binyamin Netanyahu and the inner cabinet convened yesterday to continue debating redeployment plans for Hebron. The plan, which the Defense Ministry prepared over the past few weeks, is largely based on that of the previous government regarding cooperation between security and intelligence forces.

According to Mordechai, the

EVELYN GORDON and Itim

plan provides the best possible security for settlers in Hebron.

However, several ministers, among them Ariel Sharon, Rafael Eitan, and Yitzhak Levy, have disputed various aspects of the plan. Settler organizations plan to increase pressure on all ministers, including those who have already come out against redeploying from Arab sections of Hebron.

Sharon has been serving as a go-between for the settlers and the cabinet.

Sharon made a surprise visit to Hebron before the inner cabinet meeting. He visited several sites, and settlers told him they are concerned that there will not be a way to prevent Palestinian attacks if the IDF redeployes.

Sharon's spokesman refused to comment on rumors that Sharon is strongly opposed to the new redeployment plans.

Noam Arnon, spokesman for the Jewish community in Hebron, said the goal of the settlers' meeting was to plan "widespread public activity to put pressure on the government."

While the community has not yet been shown a copy of

Mordechai's plan, both press reports and hints from government officials lead the residents to believe it is very similar to the previous government's, with the addition of what several termed "cosmetic changes."

"These cosmetic changes certainly don't supply security," said Gershon Bar-Kochva, a member of the residents' political-security committee, in an interview with Arutz 7. Bar-Kochva said the security flaws will affect not just Hebron residents, but also the rest of the country, since Hebron is a Hamas stronghold.

Furthermore, Bar-Kochva said, the planned dividing line between the IDF and the Palestinian Authority in the city runs through houses and crowded streets, and will therefore be completely unenforceable.

Arnon said another issue of great concern to the residents is that under the current plan, Hebron's Jews would be dependent on the PA for everything from water to building permits once the IDF withdraws. This issue was the main focus of Sharon's visit, he said.

"The government has no mandate to do this," Arnon said.

## Expert: Gov't policy increases chance of war with Syria

DAVID MAKOVSKY

BY making it clear it will not agree to a full Golan withdrawal, the government has created a greater prospect that Syria will initiate a war - even if its prospects for winning are slimmer than the past, according to Prof. Ze'ev Maoz, head of Tel Aviv University's Jaffee Center for Strategic Studies.

In an article in yesterday's *Ha'aretz*, he urged Prime Minister Binyamin Netanyahu, so long as he continues his current course, to prepare the public for the possibility of war in the "not too distant future."

In response, Netanyahu's foreign policy adviser Dore Gold discounted the Syrian war option, saying this government has been "careful not to put Syrian President Hafez Assad in a corner."

Maoz said that it would be wrong to assume that Syria's decision to start a war would be determined by the military balance, which is tipped towards Israel due to a variety of factors, including the dissolution of the Soviet Union. Rather, Damascus may decide, like Cairo did in 1973, that a limited war could have a decisive psychological impact in breaking the diplomatic stalemate, and thereby help it win back territory.

He said, however, that unlike the Yom Kippur War, the casualties might be civilians who live within the range of Syria's Scud-C missiles. He said the Syrians might be willing to take such a risk even knowing that the inevitable counterstrike would be very punishing.

Maoz stressed that the prospect for war with Syria had dropped during the Labor government,

when it appeared there might be a breakthrough in the peace process. "The main meaning of the diplomatic about-face on the Syrian track is a considerable increase in the probability of war with Syria and perhaps additional Arab elements," he wrote, adding: "Therefore, as long as the Netanyahu government intends to continue its present policy... it must prepare the IDF and Israeli citizens for war in the not-too-distant future."

Maoz said the Likud notion of "peace with the Golan" is "fantasy."

In critiquing Maoz's argument, Gold said he "is partly right that, historically, political calculations can affect the Arab war option more than the political calculus of the balance of power. However, in this case, the Netanyahu government has been careful not to put Assad in a corner, so that he is left with no other choice but a military option. Moreover, it has not closed the door to further negotiations with Syria besides 'Lebanon First.'"

In 1994, then premier Yitzhak Rabin declared that in the event that the peace process with Syria did not succeed within a few years, he expected a countdown to the next confrontation with Damascus. Therefore, Rabin said, if the peace process with Syria failed, at a certain point he would advocate greater defense spending to prepare for a military confrontation.

In a CNN interview last week, Netanyahu said he is not only willing to discuss the terms for a pull-back from southern Lebanon with Syria, but would be willing to negotiate on aspects of the Golan.

## Labor slams government for 'stalling peace process, causing economic crisis'

MICHAL YUDELMAN

LABOR'S Knesset faction yesterday slammed the government for the paralysis in the peace process, and for causing the crisis in the capital market and renegeing on its promises to the new immigrants.

The party's MKs also criticized the crisis of confidence between Internal Security Minister Avigdor Kahalani and the police leadership, suggesting that Kahalani's interference with appointments is intended to whitewash investigations of senior political figures.

The MKs expressed deep concern over the standoff in the negotiations with Syria and the direction which the contacts with the Palestinians are taking. Party leader Shimon Peres warned that

the "freeze" in the talks with Syria will open up other worse options, "like the trends we are now observing in Iran."

Commenting on the talks with the Palestinians, Peres blasted the government's attempt to hold both sides of the stick at once, noting that "you can't say that we accept the Oslo agreement, and at the same time propose changing it."

Former police minister Moshe Shahal commented on the tension between Kahalani and police brass, noting that the morale in the police leadership is extremely low. He lashed out at Kahalani's suspension of the appointment of

Sando Mazar as chief of the Investigations Department. Kahalani had accused Shahal of "slipping in" Mazar's appointment just before the elections and called it "unprecedented gall."

Shahal said Mazar's appointment had been agreed on six months prior to the elections as part of a series of new appointments.

Some MKs suggested that Mazar's appointment is being sabotaged in an attempt to close down the police investigation against senior political figures, including former justice minister Ya'acov Ne'eman.

MK Haggai Merom said "things have to be said clearly: There are those who do not want Sando Mazar in the job intended for him, and for good reason. They don't want him in the job because he is a pro who knows how to conduct an investigation and does so faithfully and honestly."

Former finance minister Avraham Shohat gave a survey of the economic situation and sharply criticized the government's failures in the capital market.

Shohat noted that the government has already renegeed on all the promises it made to help new immigrants in the coalition agreement with Yisrael Ba'aliya.

## Palestinian High Court orders PA to release 10 students

JON IMMANUEL

THE Palestinian High Court yesterday ordered the Palestinian Authority to release 10 students jailed in Ramallah since March.

The High Court ruled, in response to a petition by two lawyers, that there is no legal basis to hold the Bir Zeit University students, who were arrested after the suicide bombings, and that they should be released since they have not been charged, the Palestinian Society

for the Protection of Human Rights said in a statement.

The PA has not reacted to the court ruling. If accepted, it would provide a precedent for petitions on behalf of hundreds of other prisoners jailed after the suicide bombings without charges or trials.

However, since the students were not tried in civil courts, the

PA is unlikely to honor the High Court's ruling, which applies to civil cases.

In a previous case in which a civil court ordered a prisoner released, he was taken before a military court and a military judge ordered him imprisoned. Amnesty International and other human rights groups have demanded that the military courts be dismantled and the prisoners charged or released.

### NEGLIGENCE

(Continued from Page 1)

Two weeks ago Tawfik Zadan and Ghassan Awi, serving sentences for attempted murder and murder, tunneled their way to freedom using a pneumatic drill they had stolen while they were working on renovations to improve security at Ashmoret Prison. According to the findings, the two began drilling in May, storing a total of 60 bags of earth and sand near the sewage system. A plumber noticed a blockage in the sewage system, but it was not investigated.

After the escape, Bibi said he would resign if found responsible, but the committee did not find him to blame for security breaches at the prison, instead accusing lower ranks of insubordination and negligence.

The structure of Ashmoret Prison, which was not suitable for security prisoners, was one of the three main factors in the escape, Kahalani said. Prior to the break-out, Bibi had ordered a thorough examination of all prisoners where security prisoners were housed and Ashmoret was found to have serious breaches. He thus ordered renovations and brought in an additional 70 guards.

In October 1995, following the Oslo accords, 530 security prisoners in the territories were transferred to prisons within the Green Line, Bibi said.

"There was not enough room in the Nafsa and Ashkelon top security prisons, so many such prisoners were incarcerated in Ashmoret," he said.

The committee also found that orders Bibi gave to the district wardens and their commanders were not carried out. In January, an examination was carried out at all medium and maximum security prisons. Breaches in Ashmoret were discovered and the renovation work was begun.

In mid-July, Bibi appointed another team to thoroughly examine medium security prisons, following an attempted break-out by three security prisoners at Ashkelon

Prison. On July 24, the team reported that there were no breaches in security at Ashmoret, although the 12-meter tunnel Awi and Zadan were drilling underground was nearly complete at the time.

The other two prisoners in Awi's and Zadan's cell chose not to join them because they had already been on the run from authorities for two years before their imprisonment and were "tired of being chased." According to the two, Awi and Zadan fled between 4:15 a.m. and 4:30 a.m. At 5:15 a.m. they alerted the guard and told him to call the duty officer. The guard refused, saying that in any case the officer was due to conduct a head count at 6:45 a.m.

Nimrod, the committee concluded, did not ensure that the orders given by top brass were implemented at Ashmoret, which is under his jurisdiction. The committee recommended he face a disciplinary hearing for negligence and given an official reprimand.

The district's security officer, Haim Moshe, will probably be charged with insubordination and negligence. The committee also recommended that he not be appointed to a supervisory or security position in the future.

Ashmoret warden Shimon Bubbet is also to face a hearing. The committee recommended his transfer and that he not be employed as a commander. He failed to change regulations to adjust to security prisoners, Levy said. He also had no control of what went on at the prison.

Ashmoret's security officer, Rashroosh Kablan, should be transferred from his duty, the findings read.

On the whole, the committee found the local Ashmoret units guilty of negligence by failing to notice the drilling of the tunnel, to supervise tools used for renovations, and to give necessary briefings, and of ignorance of written regulations, in spite of warnings of intended break-outs and security breaches.

### RELATIONSHIP

(Continued from Page 1)

Netanyahu. Levy had boycotted all ministerial forums for the past two weeks.

The two sides agreed that Netanyahu has the leading role in all negotiations with Israel's neighbors. "That is a given. It is a basic axiom of our system of government. To quarrel with that would be to express no-confidence in the prime minister and I am certainly not doing that. There is no challenge or hint of challenge whatever to Netanyahu's authority as prime minister," Levy insisted.

But he and Netanyahu agreed that the Foreign Ministry will not be left out of the process. Levy will be consulted on everything and will meet with Netanyahu at least once a week.

Levy admitted that this is no radical departure from arrangements which had been in effect previously.

"Even before all this I knew 99 percent of everything that went on, but there were hitches. In the past few weeks, we were heading to a Tower of Babel situation in which there was no communication. I do not regret the crisis because there was an urgent need to get this back on the right track, before the most vital national interests were affected," Levy said.

He blamed much of the trouble on the diplomatic desk at the Prime Minister's Office headed by Dore Gold. Netanyahu's foreign policy adviser, Levy claimed the desk has now been dismantled and that Gold will function as an adviser only.

However, the Prime Minister's Office denied this, saying the only thing which has changed is the titles of the staff, which is expected to expand. They noted that Gold's status also remains unchanged.

Gold himself is expected to hold greater consultations on some day-to-day matters with Foreign Ministry officials, so as to improve coordination.

## Hamas terrorist killed in prison cell

RAINE MARCUS

POLICE are investigating the murder of a Hamas terrorist awaiting trial, apparently by his cellmate, at Hasharon Prison yesterday.

Nazar Abu Zina, described as a dangerous security prisoner, was found battered to death yesterday morning. He was charged with a long series of violent crimes against collaborators, settlers, and IDF soldiers.

Both the deceased and his cellmate were members of Hamas's military wing.

Sa'id Badarna, suspected of killing him, was sentenced to death by a military court for planting the bomb at Hadera's central bus station which killed 10 people in 1994. He was awaiting an appeal against the death penalty.

But Prisons Service Commissioner Arye Bibi said it is still not certain that Badarna killed Abu Zina. "Since he has nothing to lose, it is possible that someone else killed Abu Zina and that Badarna is taking the blame on himself," said Bibi.

Badarna has already admitted to the murder, saying that "Abu Zina cooperated with the prison's management."

Bibi has asked Prisons Service officers to investigate the circumstances of the murder, alongside the police investigation.

To the Nasser Family:  
Our deepest condolences and heartfelt sympathies  
in your bereavement on the passing of  
**JACK NASSER**  
Sami and Angela Shamoon

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# High Court: Omer mayor can't ban Aviv Geffen performance

EVELYN GORDON

POP star Aviv Geffen must be allowed to perform in Omer, the High Court of Justice ruled yesterday.

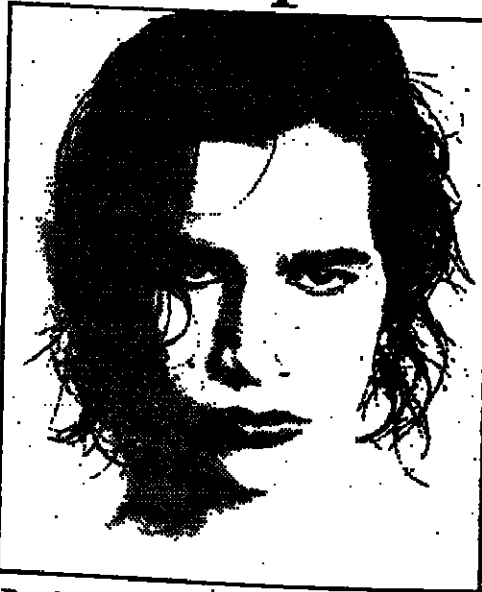
The ruling was issued in response to a petition by a group of Omer residents and the Association for Civil Rights in Israel. According to the petition, Omer Mayor MK Pini Badash (Tsomet) had refused to allow Geffen to perform in the municipal amphitheater because he disapproved of Geffen's moral and political values.

"A man who did not serve in the army, who calls our youth the 'screwed-up generation,' who calls the prime minister a drunk... he is not on our list of priorities for the performances we will bring this summer," Badash explained in an interview on Channel 2 shortly after the decision was made.

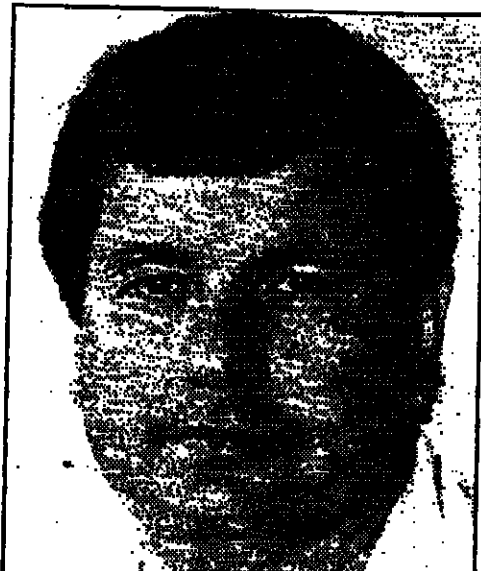
Badash's attorney, Avi Weinroth, insisted at a hearing yesterday that Geffen's views had nothing to do with the decision. Geffen was only one of some 14 performers whose applications to rent the amphitheater were turned down, he said, and the main reason for denying Geffen was safety considerations. The city was worried that the amphitheater was not equipped to handle the kind of hard usage that usually accompanies a Geffen performance.

However, Justices Aharon Barak, Dalia Dorner, and Ya'acov Kedmi rejected this explanation, as it directly contradicted Badash's own statement on the matter.

"Clearly these reasons [as expressed in



Pop idol Aviv Geffen.



Omer Mayor Pini Badash. (Issac Harari)

Badash's interview) are unacceptable," they wrote, noting that Badash had not even tried to defend them. "One cannot veto a performance because of the political views of the performer."

The petition also challenged Badash's decision to forbid Geffen's supporters to post a satirical poem on municipal bulletin boards. The poem criticizes Badash for banning the performance. Badash told the court he vetoed the poem based on a legal ruling that the city

should not allow the posting of slanderous material, as he considered one statement in the poem to be slanderous. The statement that Badash should have known Geffen was exempted from the army for health reasons, since "in Tsomet they know how to obtain documents."

However, the justices ruled the city had no right to refuse to post the poem, noting that even Badash's attorney had admitted this during the hearing.

# Supreme Court partially overturns conviction of Afula rabbi

EVELYN GORDON

THE Supreme Court partially overturned the conviction of former Afula chief rabbi Perez Zioni yesterday, but sharply criticized his behavior on the remaining counts.

The appellant, as a rabbi, should have served as a role model and punctiliously observed the legal and ethical norms. Instead, he treated public monies entrusted to him as his own," Justice Eliezer Goldberg wrote in his verdict.

Zioni, who served as the chief rabbi of Afula from 1975 until the High Court of Justice ordered him to step down in February, was convicted by Nazareth District Court on eight counts of theft, bribe-taking, fraud, and breach of trust. He was sentenced to six months of community service and given a NIS 150,000 fine. Zioni appealed both the conviction and the sentence; the state also appealed the sentence, saying it was too lenient.

The main charge against Zioni dealt with the years 1988-1992, during which he ran an office out of his home due to a feud with the local religious council. Zioni collected

various rabbinical fees, and according to his agreement with the Religious Affairs Ministry, he was allowed to keep a certain amount for office expenses. The remainder should have been given to the religious council. However, Zioni spent much more than the permitted amount for his own needs, on account of which he was convicted of theft and breach of trust.

Justices Goldberg, Eliahu Mazza, and Ya'akov Kedmi noted that most of Zioni's excess expenditures were for legitimate office expenses, such as electricity and computerization. This cannot be considered theft, they said. While he should not have exceeded his allotted budget from the ministry even for legitimate expenses, they added, the agreement was fuzzy enough that he could have thought he was entitled to these expenditures, and therefore they also acquitted him of breach of trust.

However, Goldberg and Mazza, with Kedmi dissenting, upheld the conviction for two expenses which

they deemed purely personal: Car insurance (NIS 584) and legal advice (NIS 13,719). Kedmi opined that these were also legitimate expenditures.

All three justices also overturned Zioni's conviction on four counts of theft and bribe-taking for giving kashrut certificates to factories outside Afula's jurisdiction and then keeping the fees, instead of giving them to the religious council. The justices ruled that since these factories were not within the jurisdiction of any religious council, and the Religious Affairs Ministry has no clear rules on what to do in such a situation, it is not possible to convict Zioni for any violation of the rules. However, they strongly criticized the ministry for not having set clear rules.

Finally, the justices overturned another bribe-taking conviction due to lack of evidence; commuted a seventh conviction, for bribe-taking and theft, to bribe-taking only; and commuted the final conviction, for theft and breach of trust, to breach of trust only.

# Esther Pollard: Jonathan will be free before Rosh Hashana

JUDY SIEGEL

ESTHER Pollard, who ended a 19-day hunger strike in support of her husband Jonathan on Thursday night, is staying in Israel "for the time being" because she believes he will be released from his North Carolina prison very soon.

Pollard, a special education teacher in Toronto, had been due to return to Canada for the start of the school year on September 1. But former chief rabbi Mordechai Eliahu, who visited her husband in prison recently, and accompanied her to a meeting with Prime Minister Benjamin Netanyahu on Thursday, said he believed Jonathan, convicted of spying for Israel, would be released "before Rosh Hashana." If that transpires, the Pollards intend to

live in Israel.

Pollard, who broke her fast with a green salad after living only on water, sugar, and salts for more than two weeks, said the meeting with Netanyahu gave her much hope. The premier, she said, "spoke in a way that he had never spoken before and strongly committed himself to secure Jonathan's immediate release."

On the basis of that verbal commitment alone, she would not have ended the hunger strike, she said. But Eliahu's commitment that he would be "a guarantor" of the premier's statements were enough to make her do so.

"I wanted to wake up the nation and the government about the urgency of obtaining the release, and that is essentially what happened," Pollard said.

# Grandfather has heart attack while family nearly drowns

A GRANDFATHER who had a heart attack while watching his daughter and two granddaughters nearly drown off Netanya on Saturday was still in intensive care yesterday.

The Danizov family, which lives in Bnei Brak, was swimming in an area with no lifeguards at around 4:30 p.m. Saturday. The father, Vladimir, was the first to encounter trouble and shouted to his family to leave the water as he made his way to the beach with his mother-in-law.

His wife, Yelena, and daughters, Olga, 12, and Vicky, 9, started to

drown, meanwhile, and he ran to a nearby beach to bring lifeguards. A lifeguard came and pulled the two girls from the water. Four other people pulled the mother from the water. She was almost unconscious when she reached the beach, with water in her stomach and lungs.

The grandfather, Binyamin Rup, who was on the beach watching the incident, suddenly suffered a heart attack.

They were all brought to Laniado Hospital, where the mother and her daughters were in good condition yesterday. (Tim)

## NEWS IN BRIEF

### Turkey appoints new chief of staff

Turkey has appointed a new commander of its army in the traditional August command shuffle, the US-based Defense News reported. Gen. Hikmet Koksai will take over on August 30. Koksai, 64, commander of the Istanbul-based 1st Army, will replace Gen. Hikmet Bayar, who is retiring after completing his two-year term, the weekly said.

Koksai was appointed at the end of an annual supreme military council meeting last week. While the council is headed by Turkey's Islamist Prime Minister Necmettin Erbakan, it is not clear whether Koksai supports his anti-West and anti-Israel policies. *Arieh O'Sullivan*

### Regional radios set to go

Two more regional radio stations have received broadcast licenses from the Second Television and Radio Authority. They are the Arabic language Radio 2000 (as distinct from the pirate station with the same name), which will broadcast from Nazareth starting mid-September, and Kol Kulanu, whose area spans from Ashdod to Rishon LeZion and which will start broadcasting early next year.

These are the last two stations to receive licenses in the second round of regional radio tenders. Kol Rega (FM 96 and 91.5), the valleys' station, the Emek Hefer (FM 90) station, Emtza Haderech, T.R.A. (FM 102) and the religious Kol Hai (FM 93) will commence operations on September 1. *Helen Kaye*

### High school teachers threaten strike

The Teachers' Union has declared three work disputes throughout the secondary school system and threatened that the school year will not open on time unless the issues are settled. Its members are demanding compensation for erosion to their salaries and say they will not teach at schools where there are no guards. The third issue is pension rights, with the teachers claiming that the government is not standing by its commitments to those retiring early. *Itim*

### Tnuva workers strike

Tnuva's 3,700 workers were to start a strike after midnight last night to demand higher wages. Except for fresh milk, no dairy products will be produced or distributed during the 24-hour-long strike. But the workers said they would make an exception for hospitals and the IDF. The workers have been discussing a new work agreement with management for the past six months. *Itim*

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Vertical text on the left edge of the page, including "Jordan", "Director", "A keeps", "old one", "R.A.", "BE", "H", "666", "789", "735".



# Chechnya truce talks resume

GROZNY (AP) - The battered Chechen capital witnessed one of the most quiet days in nearly two weeks yesterday as both Russian and rebel forces tried to avoid fighting and their commanders met for negotiations.

However, outside of Grozny, between the southwestern towns of Urus-Martan and Alkhan-Yurt, the rebels downed a military Mi-8 helicopter transporting food. Two crew members were killed and two were wounded, the Russian military command said.

Brief firefights also erupted in Grozny during the day yesterday and in the morning, Russian artillery shells rained on the city.

Rebel fighters, who control most of downtown Grozny with about 2,000 men deployed there, said the Russians tried before dawn to resupply their troops surrounded in isolated strongholds in the center. They were beaten back with heavy casualties, the rebels said.

The separatist offensive on Grozny, which began on Aug. 6, took Russian troops by surprise. Hundreds of Russian soldiers were killed in some of the worst fighting since troops were sent into Chechnya 20 months ago to end its bid for independence.

Gen. Konstantin Pulikovskiy, the Russian commander in Chechnya, and Chechen chief of staff Aslan Maskhadov met to discuss setting up a joint commission to monitor the shaky truce that took effect last Wednesday.

Maskhadov gave Pulikovskiy a copy of his order to rebel fighters formally establishing the truce and "zones of responsibility" in Grozny. Pulikovskiy signed a similar order yesterday.

The two commanders' deputies met in the southern village of Noyev Atagi, about 25 km from Grozny, for what separatist spokesman Movladi Udugov called a discussion on "purely technical matters."

**Report: Terrorists murder 17 on Algerian bus**

ALGIERS (AP) - Armed terrorists used a fake police barrier to stop a bus on a remote highway, then slit the throats of 17 passengers, a newspaper reported yesterday.

The respected independent daily *El Watan* said the massacre slaughter happened Thursday on a highway outside Ain Oussera, about 150 km south of Algiers.

Authorities would neither confirm nor deny the report. If verified, it would be one of the worst mass killings this year in the North African nation bloodied by an Islamic insurgency.

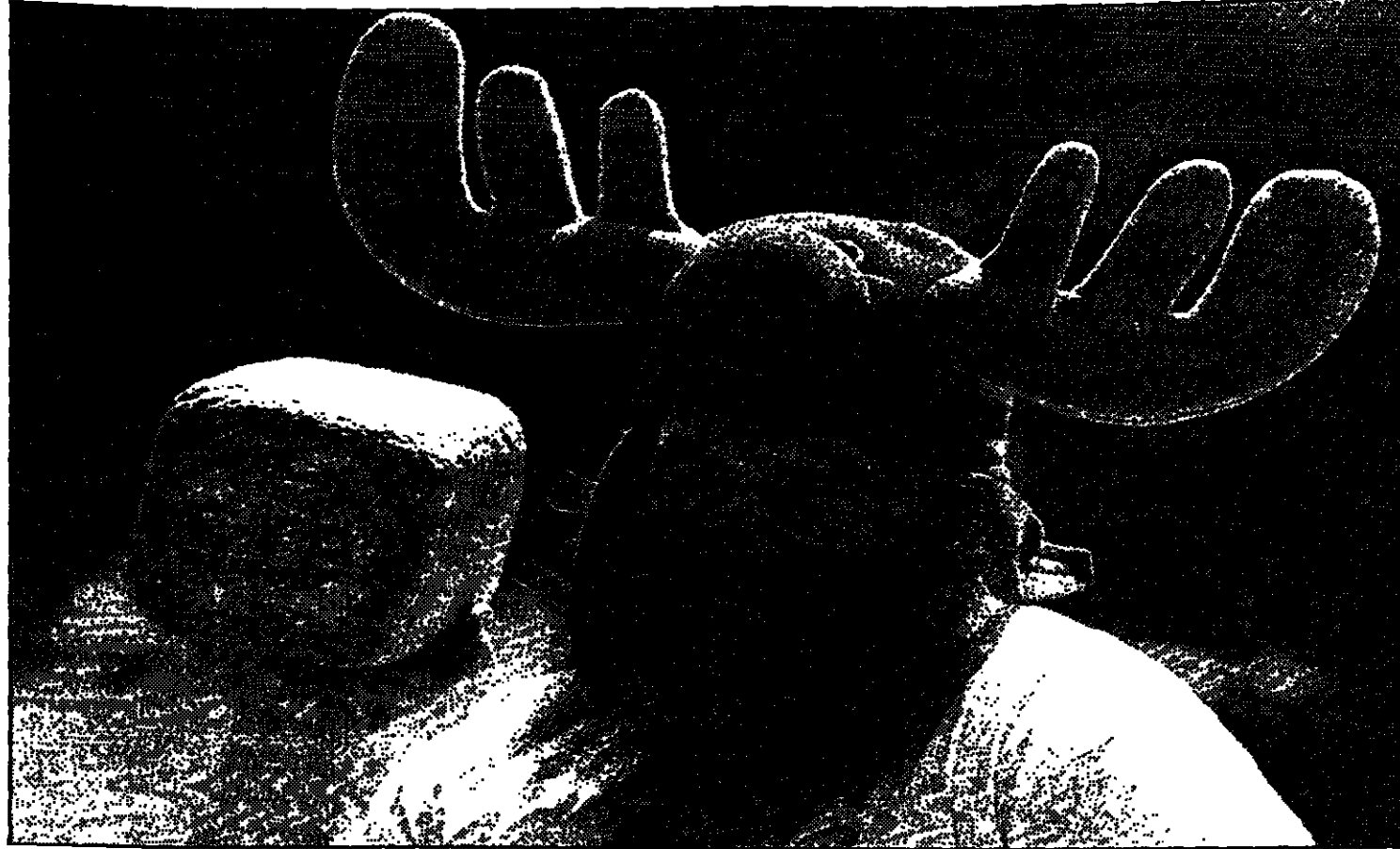
Witnesses told *El Watan* that the assailants set up a fake police barricade on the highway to force the bus to stop.

The victims, ages 17 to 25, were forced at gunpoint to get off the bus and were slain behind a large roadside bush, the newspaper said.

No one immediately claimed responsibility for the slayings. The Armed Islamic Group - the most violent of several terrorist factions trying to topple the Algerian government and install strict Islamic rule - has been blamed for most past attacks on civilians.

Throat-slitting and decapitation are signature killing styles of the group. In May it beheaded seven French monks it had held for nearly two months.

More than 60,000 people have been killed since Algeria's insurgency began in January 1992.



A participant in the Swiss Stone Throwing Championships prepares to deliver his 12.5kg missile at the event in Jaunpass, Bernese Alps at the weekend. Competitors participate in four different categories: 8kg., 12.5kg., 18kg., and 40kg. (Reuters)

# US military plane detailed to Clinton crashes

A military plane providing support for President Clinton slammed into a steep mountainside just after taking off late Saturday from Wyoming, where the president had been vacationing. Rescue workers found no sign of survivors.

One Secret Service employee and eight crew members were believed to have been aboard the plane, which burst into a fireball in rocky, remote terrain in the Grand Teton range, a White House spokeswoman said yesterday. And Lt. Cmdr. Karen Jeffries, a Pentagon spokeswoman, said the Air Force had confirmed that eight of its personnel were listed as being on the flight, a so-called "car plane" that is used to shuttle presidential vehicles.

A government official said the cargo included a Secret Service vehicle used in presidential protection, but it was not believed to be a presidential limousine.

A National Park Service spokeswoman, Roberta D'Amico, said rescue workers on foot and horseback arrived at the crash site about 4:30 a.m. and found wreckage still smoldering but no survivors.

Clinton, who had left the area by helicopter more than five hours earlier, returned safely to the White House yesterday morning after a nine-day vacation during the Republican National Convention. He was notified of the crash early yesterday morning by deputy chief of staff Evelyn Lieberman.

A Clinton administration official said the pilot of the C-130 reported mechanical diffi-

**RON FOURNIER WASHINGTON**

culties and had started to return to the airport. But others cautioned against speculating on why the plane went down.

At the Pentagon, Jeffries said yesterday that the Air Force was dispatching specialists for the search and rescue mission from Hill Air Force Base in Utah.

The unit is specially trained to set up a security perimeter around crash sites and will be able to begin the service's investigation into the tragedy.

Reports of the number of people aboard the plane varied through the night.

Earlier, Arnette Heintz, spokesman for the Secret Service, said six crew members and one Secret Service agent were aboard. He said the employee is a "physical securities technician," who was part of the broad presidential protective team. Heintz said foul play was not considered a factor.

Heintz told CNN yesterday the plane was en route to John F. Kennedy Airport in New York and carried equipment used in support of the president's travel. Clinton was scheduled to fly to New York later yesterday.

The crash occurred at Sleeping Indian Mountain, a popular landmark known for a craggy rock peak shaped like an Indian chief laying on his back. It is located 20 km outside of the Jackson airport amid the Grand Tetons range, northwest of Jackson Hole.

"To me it looked like a fire brewing on Sleeping Indian," said Tim Tomkinson, night manager of Buskboard Cab Co. "I saw this guy (at the airport) who said he watched this plane take off heading south, and go left and then it blew up into a ball of flame."

Witnesses said fires lingered well after a mushroom-shaped fireball sent the starlit sky aglow.

Lightning had raced across the sky some five hours earlier, when Clinton left Jackson Hole by helicopter.

Jeff Brown, president of Jackson Hole Aviation said, "There's no weather associated right now at all. Nobody knows anything at this point except there was a lot of fire."

Dan Holloway, operations manager at Jackson Hole Aviation, fueled the plane and said the explosion happened about four or five minutes after takeoff.

Gini Bright, duty officer for the Federal Aviation Administration's northwest mountain regional office in Seattle, Washington, said there were seven people on board the plane.

She said the plane was assigned to the Air Force's 39th Airlift Squadron based out of Dyess AFB and was en route to John F. Kennedy Airport in New York City. Clinton was traveling to New York yesterday.

"Whether they flew into the mountain or lost control for some aircraft reason, we don't know," Brown said. "It could have been an inflight shift of cargo or who knows, engine failure, the whole gambit."

**Russian airmen recount daring escape**

SEVEN Russian airmen, elated after their daring escape from a year of captivity by Afghan Taleban militia, yesterday told of months of secretly planning their flight to freedom.

"We had been planning for more than half a year," aircraft radio operator Iouri Vshivtsev said in an interview before flying home from the United Arab Emirates with Russian Deputy Prime Minister Vitaly Ignatenko.

"We went over the smallest details of our plan many times and understood the extent of the risk," Vladimir Sharpatov, the captain of the crew, told Russia's Itar-Tass news agency.

"But we had the help of fate, fortune and just good luck."

The Russians, working for the Aerostan firm in the Russian Republic of Tatarstan, were taken hostage after a Taleban MiG-19 fighter forced their cargo plane to land in August 1995.

The opposition Taleban said its

**HILARY GUSH SHARJAH, UAE**

shipment of ammunition from Albania was evidence of Russian military support for President Burhanuddin Rabbani's government.

Moscow said the crew's nationality was coincidental.

The seven, smiling and waving their hands and clenched fists in victory salutes outside a Sharjah hotel, said all that mattered now was freedom and their families.

"We are free, nothing is important. Our families and children are waiting for us today," ground engineer Viktor Raizanov said. "I also want to see my dog."

"Home, home, we are going home," another crew member said.

After empty promises of freedom followed numerous diplomatic missions, their hopes of a negotiated liberation from detention in the southern Afghan city of Kandahar were dashed.

rushed to block their path.

"It was a little late, about five or three seconds. We passed over the vehicles at the end of the runway," he said.

The crew flew out their huge transport plane at treetop height to avoid radar detection. They overpowered the guards, two armed with Kalashnikov automatic rifles, and tied them up.

A militia jet fighter and helicopter had chased the fleeing plane but could not catch it, a Taleban spokesman said.

The crew were still trying to comprehend their escape.

"It was unbelievable yesterday and the day before but today we can believe (we are free)," Vshivtsev said.

The other crew members were Gazinov, Khairullin, Alexander Zdor, Askhat Abizov and Sergey Butuzov, he said.

The three Taleban guards are being held by UAE police. (Reuters)

# Belgian killer pedophile ring unearthed

News agencies BRUSSELS

TWO eight-year-old girls whose bodies were unearthed by Belgian police as part of a growing child sex scandal starved to death in captivity, investigators said yesterday.

Discovery of the remains brought to seven the number of dead girls found after a series of disappearances in Belgium dating back to 1989. Six other children are still missing and two girls were rescued alive on Thursday from a makeshift basement dungeon near the southern city of Charleroi.

Prosecutor Michel Bourlet told a news conference yesterday that police had pooled the files on all 15 children after the man who led them to the two girls' corpses admitted further kidnappings.

Bourlet said Marc Dutroux, 39, an electrician, and some of the five other people held by police said they had kidnapped An Marchal, 19, and Eefje Lambrecks, 17, in August last year.

"Finding these girls is now the priority," Bourlet said, adding that he was hopeful of finding them alive.

Yesterday's confession by Dutroux, who had been convicted of child rape seven years ago but later released, is another breakthrough in a case that has gripped this nation of 10 million people since the late 1980's.

Dutroux admitted yesterday he had abducted girls and offered money to get children, officials said. In addition to the bodies of two girls, police found the body of a man, an apparent accomplice in the kidnappings, on the premises.

"Bring me a girl and you'll get 50,000 francs (NIS 5,000)," Dutroux told accomplices before two eight-year-olds were kidnapped last year and subsequently murdered, according to investigating magistrate Michel Bourlet.

Officials said a total of four people have been arrested so far in connection with the spate of abductions, thought to be linked to a child pornography ring. The list of victims believed part of the same case has grown to a dozen.

Authorities discovered that Dutroux had constructed a 4-by-3 meter concrete cellar to hold the girls in his house some 60 km south of Brussels.

Dutroux said the two children starved to death after he was briefly sent to prison for theft last December and an accomplice failed to feed them. He said he killed his accomplice, Bernard Weinstein, out of revenge and buried him together with the two children.

"We had never thought such horrible things were possible," magistrate Andre Vandoren, who heads a national investigating team for missing children, told the VTM television network. "This incident is proof that (child pornography) cases should be closely followed."

Police rescued two girls, 12 and 14, from the secret cellar last Thursday before Dutroux led them to the tied-up bodies of the two eight-year-olds and his accomplice in his garden.

Over the past half decade, about a dozen Belgian children have disappeared without a trace and police were without a lead in their investigations until last week, when they were tipped off about Dutroux.

The two girls rescued are a 12-year-old who had been missing since May 28 and a 14-year-old missing since last week.

The older girl had been kidnapped upon her return from a swimming pool Aug. 9 and was taken to the house where the younger one was held. She told her mother she was drugged for three days and raped several times. The 12-year-old had been in captivity in a concrete cage for over two months when the other girl joined her.

# France stalls on African migrants in church

PARIS (Reuters) - The French government stalled yesterday on its vow to expel 300 African immigrants, including 10 in the 45th day of a hunger strike, who have been holed up in a Paris church since June in hopes of obtaining residency papers.

The immigrants, joined by hundreds of French supporters at the Saint-Bernard church, have said they fear that a police raid could come at any time after Prime Minister Alain Juppe said that letting them stay in France would violate the law.

The Africans took refuge in the church on June 28. They urged President Jacques Chirac to intervene but Interior Minister Jean-Louis Debré has said he is willing only to negotiate the terms of their departure.

After spending two sleepless nights awaiting police action, the Africans were speculating police would wait until today, when their supporters will have left the site to return to work.

Legal sources said the protesters had received orders to leave France within a month. For some the deadline had expired, for others it was imminent.

The far-right National Front has said it wants them "kicked out". Socialist opposition leader Lionel Jospin has urged talks to avoid a violent showdown.

A union at state-run airline Air France Europe called on pilots to refuse to fly the Africans home if they were expelled, but the government could use military aircraft.

"The French military is supposed to liberate people. It is not intended to imprison them," said veteran activist and cancer specialist Leon Schwartzberg told reporters at the church.

The protest was shaping up as a public relations nightmare for the Juppe government as celebrities and activists flocked to the church in the capital's multi-ethnic Goutte d'Or neighborhood to show their solidarity, including Danielle Mitterrand, widow of the late French president.

# Mandela tells ANC he won't run for second term

JOHANNESBURG (AP) - President Nelson Mandela formally told his party he won't be on the ticket in 1999, the ANC said yesterday.

Mandela, who is 78, has said repeatedly he believes he is too old for a second term. His formal announcement that he will not run in elections scheduled for 1999, and that he also would not seek party leadership again, came during a weekend meeting of the ANC's top decision making body.

His African National Congress colleagues expressed their "respect for the president's decision as well as its profound appreciation of the sterling service he has rendered to the ANC and the country in a lifetime of struggle," according to a statement released yesterday.

During a visit to London earlier this year, Mandela endorsed Deputy President Thabo Mbeki as his choice to take over the presidency. Mbeki is also Mandela's deputy within the ANC, and performs much as a prime minister in the South African government.

Meanwhile, Tibet's spiritual leader, the Dalai Lama, began his first visit to South Africa yesterday, saying his people's struggle had been encouraged by the peaceful transition from apartheid to democracy under President Mandela.

"The struggle for justice through non-violence now becomes reality," the 1989 Nobel Peace laureate told reporters on his arrival at Johannesburg airport from India.

"South Africa is an example of that. It very much encourages our non-violence freedom struggle," he said.

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מלך מן האלוהים



# Arts body catches a controversial bout of frostbite

HELEN KAYE

JUDITH Aron kissed Yossi Frost and burst into tears. "I can't believe I won't be able to call you up at night any more," she sobbed.

Aron is the founder of the Kibbutz Dance Company. Frost is head of the Arts and Culture Authority (ACA), or was.

From September 1, someone else will be sitting in Frost's big swivel chair at ACA, because in mid-July Zevulun Hammer, the new education minister, unceremoniously dumped the man he called a political appointee from the previous administration.

Aron wasn't the only one. The office at 16 Hanatziv was an awash because "We had a very special constellation here that has made these three and a half years possible, and there's the feeling that this can't return, that there's been a disruption, an ending almost like a death, which accounts for the tears," says Frost.

The special constellation was Shulamit Aloni and Shimon Shohani at the Ministry of Science, Communication and the Arts, Avraham Shohat at the Treasury, and Frost.

Their combined efforts increased

the arts budget by 150 percent, from about NIS 100 million in 1992 to NIS 230m. last year, and around NIS 268m. for this one. Budgets given to individual institutions doubled and sometimes tripled. Theater went from NIS 23m. to NIS 69m., music from NIS 12m. to NIS 35m., dance and cinema from a pitiful NIS 5.5m. and NIS 4m. to NIS 14.5m. and NIS 16.5m. respectively; museums, the plastic arts, Arab culture, festivals, literature—all got a piece of the pie.

Frost was fired because it was Aloni who had appointed him in 1992, but 25 years of hands-on experience bolster his claim "that no one knows as much as I do."

Frost's inherent and justified self-confidence is often mistaken for arrogance or boasting, and his self-confessed big mouth and awesome vocabulary of four-letter words land him in hot water at fairly regular intervals. "But I calm down as fast as I blow up, and if I'm wrong, I admit it," he says.

For the moment, he continues to sit at his meticulously ordered desk at the ACA's Tel Aviv office, a big, broad-shouldered elegant man who, in another time and place, might have filled Gary Cooper's shoes on that street at *High Noon*.

He pretends not to care that he's been fired, but he does, because he is an unreconstructed idealist, and "because there's so much left to do. It's only been three and a half years, but the period has had an intensity whose like I don't remember."

His door is always open so that he can yell, receive visitors, keep abreast. A gaggle of local awards and souvenirs (dolls, cars, gawags) from foreign trips traipse across the top of a low sideboard, and the givers "realize I'm a child, so they give me toys," he says.

HIS HAS been an active and controversial tenure. Frost is good copy—the mini-scandal over his dismissal is proof enough—but the controversies have also erupted on the ground and in the media over serious issues, such as the now-defunct Rinat Choir, Habimah and Inbal and his feuding with Aloni played a featured role.

Of these Frost says "our disagreements were mostly over style, not substance. I was too aggressive for her, but I worked the way I did because from the beginning I felt my time was limited."

"I have nothing against bureaucrats, but bureaucracy is essentially anti-artistic, because the arts have

to be free," he says, before laying out the paradox he represents.

The government must support the arts because "What are we if not our culture? What's left of our 5,000 years of history but our culture? We have so much talent in this country."

But if public money goes to support culture, he says earnestly, then the institutions must be properly accountable "and that's ACA's job. We exist to allow the arts to flourish according to their own criteria but within the public criteria of proper management."

Which is precisely what Rinat, Inbal and Habimah had not been doing "and for years. Everybody knew, but did nothing. We weren't afraid to tackle those open sores."

He could have said sacred cows, because the Inbal Dance Company, founded in the '60s by the inimitable Sara Levi-Tanai, and the Rinat Choir, founded by Gary Bertini in 1955, had become cash-swallowing anachronisms. Rinat is disbanded and Inbal has metamorphosed into the Inbal Ethnic Center.

Habimah, the country's national theater, and the third holy bovine, was the big uproar of Frost's tenure. Habimah's many crises led to an open break with Aloni, but

she staved off his resignation with some adroit wiles "that totally disarmed me."

Habimah grabbed headlines for a year from the time Gary Bilu and David Alexander became its managers in spite of Frost's loud protests.

Within the year, the two were fired in disgrace, the debt-ridden theater went into receivership and Ya'acov Agmon, formerly Frost's boss, now his protégé, was appointed as Habimah's savior and new general manager. It is entirely in character that today Frost and his erstwhile champion are not speaking.

BORN AND raised in Tel Aviv, where he lives with his wife of 33 years, Batya, and their three sons, Frost, now 59, was the golden boy of 1960, a singer and a star. But his performing career ended with a chorus of boos when he muffed a number during a show.

He went into production and says that while "it was never a substitute for performing, what fascinated me then and now is how you make things work. I worked backstage even when I was performing."

He ran arts and trade fairs, assistant produced the state's 12th anniversary events, partnered



Yossi Frost: What are we if not our culture? (Israel Sun)

Agmon in a production company and from 1975 to 1986 ran the government-funded Omanut La'am which, under his management, grew from a modest institution to a country-embracing arts impresario.

During that tenure Frost also initiated the Acra, Carmel, Arad, and Trends in Dance Festivals, as he has promoted the Fringe Theater

Center, the NEXT Alternative Music and Poetry Festivals during this one.

The poetry festival which debuted at Metulla in June was his baby. Poetry has grabbed him more and more in recent years—"It's concentrated, it hits you the way a good cartoon does, and besides, poets in this country have always been literary underdogs."

One longtime failure goads him, that of trying to create an Israel Council "which would export Israeli culture, especially to the Jewish communities of the Diaspora, otherwise we'll lose them."

He first outlined the proposal in a position paper he sent to Hammer in 1978. Now he'll do it by himself, through RST, the company he founded in 1990 and will reactivate after September 1.

David Alexander is being touted as Frost's successor at ACA but all the Education Ministry will say to that is "no comment."

Frost doesn't want to say anything about his possible successor either.

But he has warned the ministry not to cut the culture budget "because culture can't stagnate or mark time. It always has to forge ahead."

## Arnie the android strikes again

FILM REVIEW  
ADINA HOFFMAN  
ERASER  
★

Directed by Charles Russell. Screenplay by Tony Puryear and Walton Green. Hebrew title: Eraser. 107 minutes. English dialogue. Hebrew subtitles. Children under 17 not admitted without an adult.

John Kruger—Arnold Schwarzenegger  
Lee Cullen—Vanessa Williams  
Robert DeGuerin—James Caan  
Beller—James Coburn

ONE of the ugliest, noisiest, crudest and most upsetting action pictures in recent memory, *Eraser* marks a gruesome new low in the history of the genre. In more immediate, physical terms, 107 minutes of nearly constant violent climax are enough to leave anyone dizzy and shaking; three-quarters of an hour after the film ended, my ears still rang and my teeth continued to ache from protracted gritting.

*Eraser* is not entertaining; it's obvious and cruel and it batters an audience into passive submission. The movie works like one of the high-power assault weapons it glorifies, blasting away any last trace of our sensitivity before we've even had a few seconds to think or feel. Then it riddles us with gory effects till we flop there, limp and defeated, too exhausted by the barrage to protest. In comparison, this summer's other action movies—*Independence Day*, *Mission Impossible*—come to seem subtly comic, dramatically refined and morally downright commendable.

The main difference between those films and *Eraser* lies in the former's sense of daredevil play and jokey self-deprecation, alongside the latter's grimly straight-



Trigger happy: Don't jump the line when Schwarzenegger's out shopping.

ahead approach to violence. Despite the occasional robotic delivery of some perfunctory punchline by Arnold Schwarzenegger before he pumps a few rounds into the gut of an alleged bad guy, the film is thoroughly humorless. (There is one goofy character, played by Robert Pastorelli, who tags along for "comic" relief, but his gags aren't amusing, and his presence only serves to underscore the film's deeply unfunny nature.)

*Eraser* also lacks all trace of originality, and instead attempts to coast along on the preestablished "charm" and "talents" of Arnie the Android. Here he plays another larger-than-life title character, a federal marshal in the witness-pro-

tection program. He's a muscular and computer-savvy thug whose job it is to "erase" witnesses whose lives are in danger. He stages their deaths, delivers them to safety, and vanishes with a wink.

This time around, he's assigned by his leering boss (James Caan) to keep tabs on a beautiful defense contractor (Vanessa Williams) who has decided to turn state's witness against her employers. It seems some important, pasty-faced, government officials (on loan from a John Grisham novel) are in cahoots with the powers that be at her company, and plan to sell a shipment of top-secret electromagnetic automatic rifles to the Russian mafia.

How convenient for director

Charles Russell and screenwriters Tony Puryear and Walton Green that they have so many nifty, lethal props around to keep the story moving and the body count rising. These state-of-the-art rocket-launcher thingamajigs figure prominently in the action, and we have many chances to observe how they X-ray their victims' skeletons before firing, then shoot green, smoky, laser-like beams that send the fresh corpses hurdling backward in a grotesque final flight.

Besides all the requisite death and destruction, the sickest aspect of a movie like *Eraser* is its creators' cynical approach to repetition and innovation. The filmmakers rely on the fact that people who come to see a Schwarzenegger pic-

ture want to watch the Teutonic monster offing as many nameless, faceless people as is physically possible in a few hours' time.

Meanwhile, these same fans also expect to see something "new" for their money—some untired shtick with a burning airplane engine, a man-eating alligator or a grenade that explodes in a shower of sharpened drill bits.

Its narrow and literal invention notwithstanding, there's little room left in the film for real creativity, let alone inspiration. Of course Schwarzenegger will come out on top in the end. Of course he'll save the bad guys. Of course he'll save the girl. Like so much of American pop culture these days, *Eraser* offers fantasy without imagination.

## Dance duo celebrates marriage with new show

THERE ARE many exotic places around Israel to spend your honeymoon but Kibbutz Kfar Menahem is probably not one of them. But this is exactly where duo dancers/choreographers Noa Wertheim and Adi Shaal, both aged 30, celebrated their recent wedding, with a 10-day intensive rehearsal period for a new work which they will perform three times only, this Wednesday at the Israel Museum in Jerusalem.

Four years ago Wertheim and Shaal were members of the now defunct Tamar Dance Company in Jerusalem. "We didn't know where we were going at the time," Wertheim recalls as she speaks by phone from Kfar Menahem during a short break between rehearsals. "We did one show at Habama in Jerusalem and Zippi Adar from the Israel Museum saw us and immediately invited us to perform at the museum. It was very brave of her because we were utterly unknown at the time. But she took the risk and presented us at the first ever Gallery in Motion program at the museum." And now the two are returning for yet another Gallery in Motion at the Israel Museum.

The wedding, which "we did very quietly and within a month since we decided about it," is not the only change in the couple's life. Artistically they are somewhat changing as well. The two began performing as a duo with the very energetic name of *Verrigo*. Now they have their own company of six dancers, with four new members including Wertheim's younger sister, Rina (21). They are also working with live musicians, Steven Hornstein and Jeffrey Kowalsky, for the first time. "We are thinking about a full

length evening with live music with Hornstein, so this is definitely the first step for us."

At the museum they will perform at the modern art wing in front of a painting by Anselm Kiefer. "The new piece has some improvisation in it, but a lot of it is set in advance. We were twice in the museum working within the space and around the painting. But it is nothing more than a set for us and so we could have done most of the rehearsals in the studio without it. But there is no doubt that the space provides its own atmosphere which influenced us a lot. The piece itself is very feminine."

Wertheim and Shaal continue to perform their previous program, *Symbiosis*, with which they

appeared recently in France. "We have some performances in Vienna next month and later on in Germany as well. And then in about half a year we will have our new program out." And so in spite of the fact that the museum event will be a one time only performance, albeit repeated three times during the evening, "for us it is not something we are wasting. It is part of a process and we eventually use everything that we do."

WERTHEIM admits that she and Shaal sincerely considered leaving Jerusalem because of lack of financial support in the city. "But Goni Zur from the Jerusalem Foundation was doing all she could to keep us here. She gave us as much as she could—which was not much but was at least something—and so for the moment we are here," living and working

from their beautiful home in Ein Kerem. "I'm too busy in creating these days to actually think where I want to live. I will live wherever I can create. But I'm already 10 years in Jerusalem and I like it here."

Are there any regrets for spending the honeymoon working? "Are you kidding? This is the greatest pleasure in life. Just let me forget everything, get away and work, that's the best thing in life."

And so local dance buffs who have enjoyed the energetic and powerful work of *Verrigo* in the past can come Wednesday to the Israel Museum in Jerusalem and see whether the married Shaal and Wertheim look different on stage and whether the interaction with live music has affected the way they perform and create.

## A diva's fun in the sun

MICHAEL AJZENSTADT

A DECADE ago a young French girl was in Israel to visit her family. Now, at 22, Nora Amsellem is back as one of the major young opera stars in the world. Last year, she made her professional debut at one of the most prestigious opera houses in the world—the Metropolitan in New York.

Having studied voice for just three years Amsellem was accepted into the Metropolitan's young artists program in 1994, one of the very few non-Americans to be admitted to the program. "In the second year of this great program in which I really studied a lot, they let us sing minor roles with the company," very minor roles that is. But not Amsellem, who got two star roles, *Micela* in *Carmen* and *Liu* in *Turandot*. And now her diary is filled with dates at leading opera companies, including Paris and San Francisco.

Amsellem always wanted to sing but she began her musical career as a harpist, playing the instrument for 10 years before switching to study voice at age 17.

This past week local opera buffs had a chance to hear Amsellem sing the role of Susanna in Mozart's *Le Nozze di Figaro* as part of the Israel Vocal Arts Institute summer program, a role she would probably never sing in the opera house. "Susanna doesn't show my voice at it's best. But I haven't been in Israel for a while and I don't have a lot of stage experience so I decided to come here." It was also an opportunity to work closely with boyfriend Denis Sedov, the young Israeli bass who is also a member of the Met's young artists program and who sang the role of Figaro in the IVAI production.

"For me it was really an exercise to move on stage and to work with Denis." But when Amsellem meets Mozart's masterpiece again, next summer at England's most prestigious opera festival in Glyndebourne, it will be in the role of the countess which undoubtedly suits her voice much better.

Born to an Algerian Jewish father and an Irish mother, Amsellem grew up in Paris neither as a Jew



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## Yad Vashem recital: A song for those voices lost in the Holocaust

WHEN Yad Vashem a couple of years back introduced concerts into the Valley of the Communities, the decision aroused considerable controversy. Because the valley was originally called The Valley of the Lost Communities, there were those who considered it inappropriate to have musical events in what was a symbolic graveyard.

Those in favor of the concerts, contended that music had been the morale booster which had enabled many of those who had survived the camps to endure.

In fact, Ashkenazi Chief Rabbi Yisrael Lau, himself a camp survivor, recalled last week at Yad Vashem how on the last Passah before

the liberation, voices had been raised in all the camps to sing the traditional Jewish songs of freedom. The songs had been sung in Hebrew, Ladino, Yiddish and the native tongues of the inmates—but the unifying factor had been that these were the songs which celebrated the deliverance of the Children of Israel. "We had no matzot," said Lau. "Some people had a couple of pieces of bread; but you could hear the singing everywhere."

It was important, he stressed, to remember not only the Jews who perished in the Holocaust, but also the cultures from which they came, the songs they sang and the songs

they never got to sing.

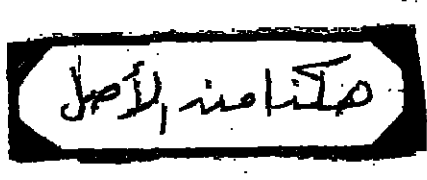
The recital on this occasion was by cantor Alberto Mizrahi accompanied by pianist Rakefet Hak. A second generation Holocaust survivor, Mizrahi, who was born in Athens, spends a lot of time in Israel and lives in the US, sang in Hebrew, Yiddish, Ladino and English.

The two English renditions *The Lord is my Shepherd* and *Jerusalem is Mine* were what Mizrahi described as "a little Hollywoodesh," and indeed, the melodies composed respectively by Meir Finkelstein and Kenny Karen, seemed to be hybrids of *The Man of La*

*Mancha* and *The Sound of Music*.

Mizrahi is an emotional man, who is keenly aware of Holocaust history. Sometimes the history behind the song got the better of him, and his glorious tenor voice wavered as he lost control. In the concert hall, this might have been to his detriment. In the Valley, it endeared him even more to an audience composed largely of Holocaust survivors, their spouses and other relatives.

A man, representing a large group of survivors from Saloniki, twice took the initiative to mount the podium to declare briefly how much it meant to them to have Mizrahi, the son of another Greek Holocaust survivor, sing so beautifully the songs they all remembered.





# No-go for cars

YIZHAR EYLON

Cars pollute the environment, contribute to global warming, are involved in traffic accidents and create congestion on the highways and streets. They also contribute to the local (im)balance of payments: cars, spare parts and oil are 100 percent imported.

The public, aware of the damage mostly in the context of traffic accidents, is demanding tougher laws, stricter enforcement and more and better highways. The first two measures are punitive, applied after the damage is done, and do nothing to lessen pollution and congestion. The third one - new highways - is only temporary measure because after a few years new highways become as congested as the old routes.

Since 1960, the number of cars in Israel has increased some 28 times as fast as the number of humans. And how long will it be possible to build new roads here when 17 percent of the land is already urbanized or paved over?

The inescapable conclusion is that car owners must be persuaded to leave their vehicles at home and use public transport.

Recently, the idea of charging the car owners for the road use, not only on certain highways, but on any publicly owned road, has been discussed. Perhaps the most powerful argument in support of this suggestion is the fact that motorists do not bear the full cost - in accidents, congestion, pollution - of car use. Charging them for each car trip makes them pay also for the indirect cost of operating a car.

The technology required for collecting tolls efficiently already exists, but governments in democratic countries lack the will to use it, because universal road fees are a political poison. In any case, a trial conducted in Stuttgart last year demonstrated that to transform car drivers into public transport passengers, the charges must be quite high. There the toll of DM 4 decreased the number of car trips only by five percent on working days

## It's time for business class on buses and trains

and 10 percent on weekends. To make road pricing politically feasible, the charges must be reasonable and car drivers must be psychologically compensated for leaving their vehicles at home and "suffering the indignity" of traveling on public transport.

NUMEROUS STUDIES indicate that a car is not only a means of transport for its owner.

It also serves other functions, important for self-image and psychological wellbeing. It is a powerful, visible status symbol. It is a channel of personal expression, telling about the lifestyle (real or pretended) of its owner. It is also a freedom symbol, potentially a vehicle for escape from the humdrum of everyday life and a sign of being self-reliant and not dependent upon others.

On a deeper, unconscious level - predominantly for men - it is a body symbol and a means of vicariously gratifying sexual fantasies.

Introducing a business class on buses and trains may well be a way to compensate the motorists who switch to public transport for at least some of these functions. Users of business class will pay more and in return will get more: maybe newspapers and magazines, cold and hot drinks, wider seats, photocopy and fax machines, the assistance of a journey attendant and perhaps even separate waiting lounges and bonus points for frequent travellers. They will also feel self-important by avoiding journeying with the hot pollution. There is not much new in this proposal. Airlines - although for different reasons - successfully introduced business class many years ago. It is about time to apply the concept to land transport.

Of course, the introduction of a business class by itself is insufficient. It will work only together with the use of tolls. It will only decrease private car use, not eliminate it. It is also unlikely to stop consumers from buying cars, but an immobile vehicle, impressing the neighbors at home, causes much less harm than when it is driven around.

The writer is a psychologist.



# The governor still rules

SUSAN HATTIS ROLEF

The Governor of the Bank of Israel, Prof. Jacob Frenkel, has just been given another five-year term. There is no question that among he is held in high esteem by monetarists, particularly of the World Bank and International Monetary Fund from whence he came. He probably would have got his second term had Labor remained in power. And yet there are many question marks around this appointment.

Never has there been a governor of the Bank of Israel whose relations with the Finance Ministry have been so tense and lacking in harmony. Both Labor's Avraham (Beiga) Shohat and the Likud's Dan Meridor clashed with Frenkel over his policy of high interest rates. Neither objects to high interest rates on principle, but both view it as a tool to be used with care, and as part of a well-coordinated, overall policy. An overwhelming majority of local industrialists and bankers are opposed to Frenkel's policy. And so was the Bank of Israel's own Research Department when headed until recently by the finance minister's wife, Dr. Liora Meridor.

High interest rates were part of the package of measures used by the National Unity Government in 1985 to bring down Israel's three-digit rate of inflation. Shimon Peres was prime minister and Yitzhak Moda'i, finance minister. The cost, at the time, was extremely high. Everyone who owed money to the banks - including the kibbutzim, moshavim, many private businesses and thousands of individual households - went bankrupt or sank into deep financial difficulties. But the situation was desperate, and desperate measures were

required, including the high interest rates. TODAY THE situation is different. True, the annual rate of inflation is once again in the lower two-digit range, but it is a far cry from the 23% monthly rate of the mid-1980s, which Moda'i and Peres contended with successfully with their "Economic Stabilization Plan." Frenkel admits that the only way to push Israel's rate of inflation down to a single-digit figure, is to cut gov-

ernment expenditure, but adds that in the absence of real budgetary cuts, high interest rates are a temporary alternative. It is a temporary alternative that has lasted for several years. Perhaps had Frenkel been appointed Finance Minister - and he was Netanyahu's favorite professional candidate for the post - he might have managed to cut the budget, despite all of the political constraints. But he wasn't, and the budget doesn't look like it will be cut in the foreseeable future.

In the meantime the high interest rates have resulted in the country being flooded with hot money which is keeping Israel's reserves unreasonably high and the dollar rate of exchange unreasonably low, thus encouraging imports and discouraging exports. The high interest rates are also partly responsible for the sad state of Israel's capital market and for hurting the poorest sectors in the

## Frenkel cannot be left alone at the helm

population: those who are in chronic debt, and whose overdraft at the bank simply grows as the rate of interest rises.

Whenever Frenkel is asked about the effect of his policy on Israel's underprivileged citizens, his face goes blank and he mumbles some professional formula which would win him a punch in the nose if he were to dare utter it the center of a development town. When Frenkel was first appointed by Moda'i, back in 1991 he inspired a sense of confidence. Today, whenever I see him on television I wonder why, despite all the opposition, both Peres, and Prime Minister Binyamin Netanyahu seem to be captivated by him.

Certainly we are no longer at a stage of our economic development where the World Bank and IMF can force us to have one of "their boys" run our monetary policy without any checks and balances. So what exactly is going on? Despite its solid foundations, the Israeli economy is heading for a tough time, which Netanyahu's Thatcherism, the highly sectarian make-up of his government and the standstill in the peace process aren't going to make easier. Israel's economic captains are going to have to use every trick they can find in their books to keep the economy on an even keel. Frenkel cannot be left alone at the helm. If he is to inspire confidence in both the Prime Minister and the general public, he must be seen to be working in concert within the framework of a team, that includes more than just monetarist parrots who see the be all and end all in high interest rates.

The writer is a political scientist.

# Retaining the (Jordan) Rift

YOSEF GOELL

The dramatic events in Jordan last weekend, in which rioting broke out over the government's tripling of the price of bread and other food staples, should serve as a reminder to Israel of the crucial importance of retaining the Jordan Rift Valley in any final division of the country with the Palestinian Authority.

According to a draft agreement concluded last fall between then deputy foreign minister Yossi Beilin, the close confidant of former prime minister Shimon Peres, and Yasser Arafat's deputy Abu Mazen, Israel would have agreed to eventually yield the Jordan Rift Valley to Palestinian sovereignty. Peres refused to approve the agreement publicly so close to the elections, but there can be little doubt that its main outlines would have formed the basis for the Labor government's positions in final stage negotiations with the Palestinians had Labor been reelected.

Beilin's reasoning was that the Jordan Rift Valley would be sacrificed in exchange for Palestinian acquiescence to Israel's eventually annexing the western fringes of Samaria and areas around Greater Jerusalem. The Israeli interest in such a trade-off was that over 70 percent of the settlers live in those areas which the Palestinian negotiators under Abu Mazen would have been ready to concede to Israel in exchange for Israel's recognizing Palestinian statehood; locating the Palestinian capital in eastern Jerusalem; and ceding the Jordan Rift Valley and other parts of the territories.

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YOSEF GOELL

have always been strategic rather than ideological. The large majority of Israel's strategic planners have argued that retention of the Jordan Rift - and its connection to coastal Israel by a trans-Samaria military highway - is essential to meet the potential threat of a concerted Arab invasion from the east. Geopolitical developments in the region over the past eight years, including the end of the Iraq-Iran war, the Gulf War with

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beat of the Palestinian-populated parts of Judea and Samaria. There is an equally important - but rarely mentioned - reason for Israel's retaining the Jordan Rift in its entirety: making absolutely certain that whatever the final stage talks does not abut on any part of the Jordanian Kingdom. This is a vital interest which Israel and the ruling Hashemite family of Jordan share.

There is a double purpose in preventing such a link. One is to keep arms smuggling from Jordan to the Palestinian entity down to an absolute minimum. It was revealed only last week that arms were being smuggled from Jordan into the Palestinian territories by boat across the Dead Sea. More important still is preventing the Palestinians from taking part in any future uprising against King Hussein and his successors in Jordan.

As uncomfortable as it may be, one must consider possible future scenarios. Any future struggle over the succession in Jordan is likely to involve a major uprising of the forces which oppose the Hashemites and are largely synonymous with the opponents of the peace treaty with Israel. That uprising will far overshadow in intensity this weekend's food riots or the ones which broke out several years ago. It is impossible to predict who will win such a confrontation. But clearly it is in Israel's interest to do everything possible to prevent the opponents of King Hussein and of the peace treaty from prevailing. For that reason, it is essential that the Palestinians be prevented from using their military power - no matter how puny - to support the anti-Hashemite rebels.

In such a compromise, the crucial importance of retaining the Jordan Rift ranks just behind that of retaining all of the Golan Heights, and far ahead of keeping Hebron, or isolated settlements in the Gaza Strip or the

In such a compromise, the crucial importance of retaining the Jordan Rift ranks just behind that of retaining all of the Golan Heights, and far ahead of keeping Hebron, or isolated settlements in the Gaza Strip or the

The writer comments on current affairs.

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# Jordan's economic earthquake

THE bread riots that erupted over the weekend in southern Jordan, and which spread to the capital Amman, are a worrying sign of instability in the Hashemite kingdom. These are the worst disturbances to hit Jordan since 1989. Impoverished Jordanians took to the streets, throwing rocks at troops and assaulting government buildings with a rare unbridled defiance. The root of the problems are economic - widespread poverty beyond wealthy west Amman, fewer jobs for an expanding population, and a dwindling middle class highlighting the gap between the very rich and the very poor. If these conditions are not addressed, and quickly, the tremors may reverberate throughout this region, bringing serious problems for the existing peace treaty and future peace process.

The unrest began after the government's decision to cut drastically state subsidies for bread and animal fodder. With foreign debts of \$5 billion to \$6b., and a budget deficit nearing \$600 million a year, Jordan had little choice but to accept the recommendations of the International Monetary Fund. The IMF had correctly pointed out that Jordan could ill afford to continue spending \$54m. a year subsidizing basic foodstuffs. As a first step towards extricating the country from its growing economic crisis, the government went ahead and doubled the price of bread on August 13.

In a televised address after the unrest flared, King Hussein sought to rally his people around the flag by asserting that the riots were the work of "ideological and religious forces located outside of Jordan's borders." It is possible the immediate spark that ignited the riots was struck by outsiders seeking to undermine Hussein's regime - there are plenty of regional states, including Syria and Iran, with accounts to settle with the Jordanian monarch. Nevertheless, the fact remains that it is the underlying economic crisis which is the root cause of the unrest, and for that the blame lies with the government's own misguided policies.

The kingdom's troubles took a turn for the worst during the Gulf War. By openly backing Saddam Hussein after his invasion of Kuwait, King Hussein invoked the wrath of Saudi Arabia and the Gulf Arab emirates. They immediately cut off aid to the Jordanian monarch, and expelled hundreds of thousands of Palestinians who had been living and working in their territory. Jordan was forced to take in most of the refugees, adding new strains to an already weak economy. Since then UN sanctions imposed on Iraq and cooler Jordanian ties with Saddam have cut deeply into Amman's trade with what used to be its primary market. For years the consequent pressures have been mounting on the Jordanian treasury.

It was these pressures which led to a turnaround in Jordanian policy. By coming to terms

with Israel, Amman hoped to reap the fruits of peace, much as Egypt did after the signing of the Camp David agreements. As a reward for the Israeli-Jordanian peace treaty, President Bill Clinton erased Jordan's \$700m. debt to the United States. And in recent weeks, Jordan and Saudi Arabia began at last to heal the rift between them as Hussein paid his first visit to Riyadh in years. But these measures may prove to be too little too late, if Jordan does not succeed in pulling itself out of its current crisis.

The riots cannot help but focus renewed attention from King Hussein's friends and enemies alike on whether the Jordanian regime is going to survive. Jordan's political system has long been considered relatively stable by the standards of the Middle East. Yet the anger and fury demonstrated by the protesters must lead to the conclusion that there is more than empty stomachs behind the unrest. The monarchy has been edging towards democracy but, although Jordanians have been able to elect parliamentarians to represent them, ultimate power and authority resides in the palace. This is not without reason - the lessons of Algeria, Egypt and Bahrain are a grim reminder that in the Middle East democracy is seen by Islamic fundamentalists as no more than a tool for gaining the power to overthrow the establishment, and then democracy itself. The catch is that even in the Middle East, a government must retain a great measure of legitimacy and respect in the eyes of the people to survive the dislocation that follows severe economic measures.

Perhaps by accelerating economic cooperation with Jordan, Israel and the United States could in some small way ease Jordan's predicament. The peace with Jordan is an important anchor for any other regional peace that may one day come about. Were the Jordanian regime to collapse there is little doubt that the replacement would not be to the liking of Israel or the West. Neither would the change bode well for the peace process, and it could lead to the radicalization of other countries in the region.

Ultimately, however, it is King Hussein who must solve the problems confronting his country. He is no doubt well aware of how bread riots in Egypt in 1977 nearly succeeded in undermining the rule of Anwar Sadat. This might explain his readiness to use an "iron fist," as he has suggested, to quell the violence. While such a policy may succeed in the short term, the anger will no doubt continue to simmer underneath the surface. If he wishes to ensure the stability of Jordan, and of the peace process as well, Hussein can start by engaging in widespread political, and not just economic, reforms. Satisfying the people's stomachs, without gratifying their political aspirations, will only lead to further crises down the road. Only by opening up Jordan's political system, as well as its economy, can Hussein hope to put his country back on the right track.

# LETTERS TO THE EDITOR

## CLOUD-CUCKOO-LAND

Sir, - I refer to your report of July 29, "Jakobovitz calls for division of Jerusalem." Assuming that Lord Jakobovitz was correctly quoted in the *Sunday Telegraph*, his proposals advocating a functional division of Israel's capital and giving up the Golan to Syria can only be described as utterly deplorable.

Such remarks were as ill-advised as they were ignorant of the situation on the ground; they are doing a disservice to the rabbinite, the State of Israel and the Jewish people. They can serve no useful purpose except encouraging Israel's enemies and those opposed to a genuine peace in the Middle East.

If Lord Jakobovitz really believes that the Palestinians will be satisfied with an "enclave" in the city, when Yasser Arafat is proclaiming at every available opportunity that "Jerusalem is the capital of Palestine," or that President Assad would agree to Jewish settlers living on the Golan under Syrian sovereignty, then it is he who is living in cloud-cuckoo-land, not the Israelis who two months ago voted for Binyamin Netanyahu as their prime minister.

R. WILLERS  
Executive Committee,  
Likud/Herut GB  
London.

## OVERDRAFTS

Sir, - Overdrawing a bank account is a national disease which invites one to live above one's financial possibilities. The overdraft educates people towards a lack of responsibility and leads to squandering assets which do not exist. The overdraft avoids creating a favorable climate for savings, the basis of any national economy.

Without any doubt, abolishing overdrafts will greatly contribute towards the recuperation of our economy. Moreover, the beneficial side-effect will be the lessening of the high interest rate prevailing in our country.

The banks are the only ones who profit from this harmful system. Therefore, it is to be expected that they will fight tooth and nail to avoid abolishing the overdraft, an important source of their gains.

HERBERT COHN  
Ashdod.

## HOTEL SUITE

Sir, - I refer to the article of July 29, "Thousand-dollar hotel room launches controversy for prime minister's wife."

I travel to Sweden many times yearly and always stay at the Grand Hotel, the same hotel at which a reservation had been made for Mrs. Netanyahu.

Several years ago, there was an International Socialist conference in Stockholm during one of my visits. When my wife and I exited the elevator, there was massive security on our floor and we were told Mr. Shimon Peres of Israel was occupying a suite and that we should not be too alarmed at the extent of the security.

During the course of the next few days, we observed Mr. Peres being chauffeured in and around the city in limousines with all the attendant honor due him. No doubt, the objective reporting by Israel Radio would have excused Mr. Peres for this indulgence as, no doubt, he needed to contemplate the status of the poor, downtrodden of the world in the comforts of his luxurious suite.

LOUIS B. SCHOEN  
Jerusalem (Los Angeles).

## THE PITTS

Sir, - The *Jerusalem Post* rock music critic David Brinn is certainly entitled to his opinion. However, he owes his readers a bit more of an overview in his reactions to Neil Young's new album *Broken Arrow* (July 30). After the unanimously-praised *Ragged Glory*, Young has released albums remarkable for their extreme mediocrity. Once a great musician and writer, his new album marks the lowest point achievable for its tepid-to-pathetic performance.

To use the terms "recommended as one of his greatest records"; "scorching band efforts"; "shows no signs of retreating from his path" (of passionate music that's highlighted his career) - these terms are very misleading when one experience such resounding confirmation that the artist has lost his talent and his sense.

It is very much an insult to his fans to release an album so terrible and so weak, and his fans have the right to be forewarned.

DAVID ROTENBERG  
Jerusalem.

## THE HAREDI PSYCHE

Sir, - I am writing in reference to Elaine Kallet's letter of August 8, "Shameful behavior." The reason why she cannot understand the haredi psyche is because all her information on haredim comes from the disinformation about them, unintentional and deliberate, in the secular media.

Kallet refers to rabbis who condone throwing stones and violence when, in fact, there isn't even a single recognized rabbi who condones such things. Even the Eda Haredit, considered to be the most extreme of the major haredi organizations, consistently repudiates throwing stones and other acts of violence. They even put up signs specifically to this effect in all haredi neighborhoods before the big demonstration this past month.

I won't deny that we have some youngsters who occasionally lose themselves and act irresponsibly and not in accordance with Orthodox Jewish teachings, but on the whole, that is not characteristic of the haredi community.

Compared with the violence, in all forms, and the drug abuse in society at large, we have nothing to be ashamed of.

If Elaine Kallet honestly wants to understand haredim, she should try to approach them herself to see the other side of the story instead of writing libelous letters to the paper.

YISROEL ABRAMSON  
Jerusalem.

## NOT CONSTRUCTIVE

Sir, - You have a very good paper, read by thousands each day. I know, for I sold it here in Safed for 21 years to tourists and locals alike. In the meantime, the policy of the *Post* changed from left to center-right, giving a lot of space to all different views, even the ones not so popular like Uri Avnery. Good for you!

But once or twice a week, we have the outburst of Michal Yudelman attacking the new government and its ministers, right-wing politicians and Jews: Orthodox, fundamentalists, anything "Jewish" is being treated as filth and insects. Never has the lady been constructive in her opinions.

H. BAR-TOV  
Safed.

هذا من الأصل



# The meaning of life on Mars

### Many theologians would not be surprised by the discovery of intelligent life on other planets, but they believe it would alter humanity's views about God, writes Bill Broadway

ALTHOUGH NASA scientists used such words as "stunning" and "unbelievable" to describe their discovery of possible life on Mars, theologians said there is nothing to get excited about.

Proof of life on other planets, whether microscopic and dumb or human-size and intelligent, would only confirm the expansive nature of God as taught in every major religion. The people who might have to make adjustments, they said, are those who believe humans are God's only intelligent creation.

The secular commotion began when NASA's two-year study of a Martian meteorite found in 1984 in Antarctica uncovered evidence that microfossils in the potato-size rock probably came from life on Mars 3.6 billion years ago. Theologians echo skeptics who say the findings are inconclusive. They agreed life on other planets is possible, perhaps even likely, and that it is time to address the question of how discovery of life on another planet might affect individual faith and communal religions.

The answer most often given? Theologically, no problem. "What this challenges, interestingly enough, is not classical Christian and Jewish theism, which has always known that everything that is, is God's creation," said Stanley Hauerwas, professor of theological ethics at Duke University Divinity School. "It challenges the high humanism that has been characteristic of our lives since the 17th century, namely that the human species is what it's all about, that everything exists to serve us."

The Rev. James A. Wiseman, chairman of the department of theology at Catholic University, said some people's faith might be "shaken" by discovery of extraterrestrial life if they believe "God created life on Earth and Earth alone." Changing this "geocentric and ethnocentric mind-set" will take immense amounts of discussion and reading, he said, tantamount to Copernicus persuading the world that the Earth revolved around the sun, not the other way around. "Personally, I've always believed we will find life on other planets," Wiseman said.

Christian fundamentalists - who embrace a literal interpretation of the Bible - might have trouble with the notion of life on other planets, said Nancy Murphy, associate professor of Christian philosophy at Fuller Theological Seminary, an evangelical school in Pasadena, California. "Genesis doesn't say that God created bacteria on Mars," said Murphy.

But James Leo Garrett, a professor at Southwestern Baptist Theological Seminary in Fort Worth, a bastion of Southern Baptist conservatism, said that while the Bible does not mention life on other planets, "we need to be cautious saying that life on other planets is precluded, because

(the Bible) also says that God is the creator of all."

Murphy, an evangelical Christian who believes in evolution, called the Mars rock significant because it suggests "there may be intelligent life forms in the universe."

If there are other higher life forms, the question then becomes how God relates to those beings and whether, like humans, they have fallen from grace and thus need salvation.

"Even if they look different from ourselves, He will have a relationship with them as well,"



Microscopic Martians: Some theologians say that God could have created them, too. (Reuters)

Murphy said, adding that most likely, that would mean revealing Himself in a way they would understand and recognize. "Presumably it's the same God but incarnating in a variety of different life forms," Garrett disagreed. "We do not need other incarnations, but

the ability to relate the Christian message to other civilizations," he said.

On the other hand, alien creatures could be so unlike humans that the concept of incarnation would not apply, said Walter A. Elwell, a Bible professor at Wheaton College in Illinois. They might require "an entirely different plan of salvation that hasn't even occurred to us and it's also possible they have not sinned against God," Elwell said. Perhaps they "passed the Edenic test that we didn't."

If we do encounter other intelligent life forms, he said, "I would hope that they are not fallen beings like we are. If they are more advanced and are equally sinful, we're in for a lot of trouble." Elwell has little doubt that alien civilizations could exist, and he can imagine God conceiving of different worlds. He pointed to "levels" of beings in the Bible - angels, cherubim, seraphim and humans - so why not extraterrestrials?

Burton Visotzky, a professor at Jewish Theological Seminary in New York, pointed to "all kinds of creatures, spirits, demons and angels" in ancient and medieval times as suggestive of other forms of being. The rabbinical tradition has accepted the possibility of other worlds since the 4th and 5th centuries. The Genesis phrase "Behold, it is good" led to speculation that God created and destroyed many universes before coming to this one and saying, "Yes, this is it."

Eastern religions, such as Buddhism and Hinduism, are so "mutually inclusive" in their interpretation of truth, that discovery of extraterrestrial life "wouldn't be in any way compromised or threatened, but expanded," said Jasper Ingersoll, a retired Catholic University professor.

"The Islamic tradition respects scientific discovery and is ready to incorporate new findings into its worldview," said Fathi Osman, retired professor of Islamic studies at the University of Southern California. The Koran gives no details of the creation and thus is open to changing cosmological views, he said. Osman said it allows, in Surah 42:29, for a meeting of different beings: "And among His signs is the creation of the heavens and the earth. And the living creatures that He has scattered through them. And He has power to gather them together when He wills." (Washington Post)

## It's life, Jim, but not as we know it!

RUN! Run for your lives! They're coming from outer space - coming to get you! Ancient geological formations on Mars have disgorged... microscopic organic compounds?

H.G. Wells might have been disappointed. Orson Welles disgusted. Fans of 1950s sci-fi could probably demand refunds. Because, it seems, there are no little green men on Mars, no panicked citizens of Earth, no flying saucers firing death rays. Instead, scientists are debating whether a hunk of Martian meteorite called Allan Hills 84001 carried a proto-E.T. 23 million kilometers from home.

Even so, the tiny bit of matter has excited sci-fi enthusiasts.

"For us to believe we're the only possible intelligence in the world is extremely egotistical. It's arrogant. What we're interested in, what we watch and what we read reflects that," says Robert Wise, who in 1951 directed *The Day the Earth Stood Still*, one of the most enduring movies about extraterrestrials.

"If this discovery is true," Wise says, "I think it'll change the way we look at the nature of the universe."

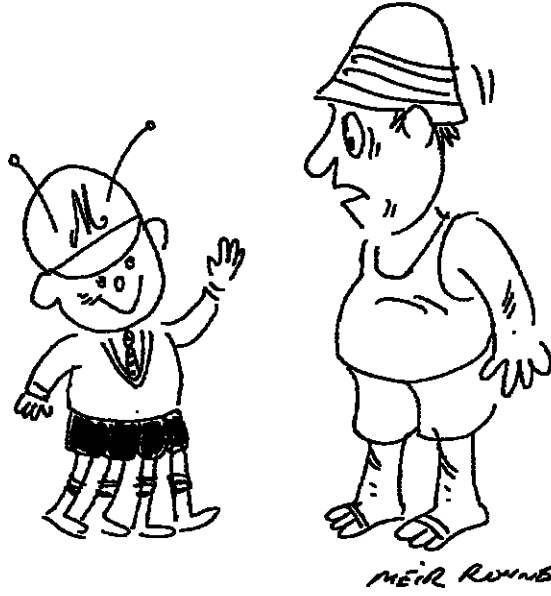
Mars, Earth's planetary next-door neighbor, has long been the receptacle of humanity's fears, hopes and musings.

"It's close. It looks big in the sky. It's full and red and rich. It's large enough to stare at and imagine," says Michael Swanwick, a science fiction novelist and author of the 1985 story *The Gods of Mars*.

"Mars," he says, "is where we put our dreams." Those dreams have wound through some nightmarish landscapes since 1894, when American astronomer Percival Lowell concluded, wrongly, that streaks on Mars were fashioned by a "higher intelligence" to carry water.

"The idea of being alone in the universe is kind of a scary one. Human beings have always wanted there to be something more. Mars makes it accessible," says Andy French, manager of Pandemonium Books and Games, a sci-fi store in Cambridge, Massachusetts. Wells' 1897 novel *The War of the Worlds*, about a Martian invasion, became a sci-fi prototype, immortalized in 1938 when Orson Welles' Mercury Theater presented it on radio as a fake news broadcast that generated panic across the country.

With the 1950s and '60s came a boom in literary



MEIR RAVIN (1996)

and cinematic science fiction, with Ray Bradbury's *The Martian Chronicles* (1951) and Robert Heinlein's *Stranger in a Strange Land* (1961). Movies, pulp magazines and comics loved extraterrestrials, and many of the gristliest came from Mars.

However, as fact supplanted fancy, and visions moved beyond Mars to Jupiter, Saturn, Alpha Centauri and beyond, the cliché turned - from menacing Martian to humorous one. The drooling rat-spiders of *The Angry Red Planet* (1959) yielded to *Santa Claus Conquers the Martians* (1964). We saw Bugs Bunny battle tiny, tenacious Marvin Martian across Dali-like spacescapes. And Uncle Martin in the 1960s TV show *My Favorite Martian* was a fatherly guy who just happened to come from the planet next door.

Naturally, the mystique ebbs in the face of facts from high-powered telescopes and probes. And, though Mars remains a favorite topic, visionaries now often favor more distant frontiers where science fiction remains fiction.

"It used to be that you didn't have to go as far away to be in a land of mystery," says Tim Brooks, senior vice president of research at USA Network's Sci-fi Channel. "Now you have to go farther."

Swanwick, who spent the weekend at a science fiction convention in the Pittsburgh suburb of Mars, Pennsylvania, where the high school sports teams are called the Mars Planets, expects the prospect of Martian life - however low-level - to expand the human imagination.

"It would say that life can evolve easily and that the universe is swarming with it - that the galaxies are green," he says. "And that will lead us to many more dreams." (AP)

## Man-made 'soil' may turn hill erosion into crop explosion

SOIL erosion and its irreplaceable loss is a problem that ranks among the really great problems facing us in the management of natural resources on all continents. But there are few places where this problem is so critical as it is on the Indian subcontinent. Still largely an agrarian people with burgeoning, even exploding population figures, India needs all the arable soil it can get yet vast areas are uncultivated because the soil has eroded to the point where the land has become useless for agriculture.

In the past few years India's eroded hillsides have, in many cases, been reforested due to a recent innovation that recycles three notoriously hard-to-dispose-of items in order to create new soil for growing trees and other crops. By mixing sewage sludge, fly ash (the residue remaining after coal is burned) and composted weeds agronomists have managed to produce a highly fertile soil-like mixture that, when plowed into eroded soils produces growth which they report is many times better than what is achieved by fertilizing the same soil with chemical fertilizers.

The technique, first tried on a small scale in Canada is now being applied to vast hillside areas in India where the soil has, over the years, become so eroded that it is almost useless.

The project managers say that in some areas new forestation grew several times as fast as growth produced by conventional techniques. The sewage sludge and the composted weeds provide large

### EARTHLY CONCERNS D'VORA BEN SHAUL

amounts of nitrates while the fly ash is rich in minerals such as zinc, cadmium, cobalt and magnesium. By combining them in proper proportions they make up a matrix that provides everything the plants need.

But correct proportions is the critical factor and the heavy metals can, if fly ash is added too liberally, build up in the stems and prevent the plants from absorbing enough water and the other nutrients. For this reason the new material is only being used, at present, on crops that are used for fibers, fuel and for building materials.

It has been especially successful for growing trees such as acacia and gum and for bamboo and cotton. But even these crops are a boon for India where wood is the principal fuel for many millions and where there is a dearth of even the simplest lumber for building and furniture construction. Indeed, it is the demand for fuel wood that has been the chief contributing factor to the disappearance of the trees and the resultant erosion of the soil.

But the researchers working on the project feel that very soon their experiments will bring them to a place where there will be no hindrance to applying the new material to forage crops, another item in short supply in a country where livestock are still the principal working animals and mode of transport and where even the dung

of these animals is a priceless resource for fertilizer and for fuel. Already some remarkable success has been reported in growing sugar cane in soil that was previously too poor to support any crop at all.

This year marked the first crops of grapes and soft fruits experimentally grown on this new substrate. The researchers report yields comparable to those in orchards and vineyards on good quality soil.

In addition to its manifest usefulness as a soil additive this technique also does some very basic recycling.

Sewage sludge and fly ash are two products that until now have seemed both useless and expensive to dispose of while bulky weeds have taxed the disposal facilities of many areas.

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# Holocaust Revisionism debate rages on

MARILYN HENRY

A BATTLE over Holocaust-era history and memory challenges both the credibility of a prominent Jewish historian and Warsaw's commitment to contend with Polish acts of anti-Semitism during World War II. The combustible conflict over the events of October 20, 1944, is being waged in the opinion pages of *The New York Times* and *Gazeta Wyborcza*, Poland's largest newspaper.

Yaffa Sonenson Eliach, a professor of history and literature at Brooklyn College, has built a reputation as a Holocaust historian. She is the author of the forthcoming book *There Once Was a World: A Nine-Century Chronicle of the Shtetl of Eishyshok*. It was in that shtetl - known in Polish as Ejszyski - that her mother and infant brother were killed by Polish nationals some 52 years ago. Eliach wrote in an opinion piece in the *Times* that fringe Polish-American groups were trying to deny the truth about those deaths. She also suggested that the Polish government's investigation of the incident aimed to "impugn" her credibility. The Polish government replied that its intent was not to discredit Eliach. In a letter to the *Times*, Andrzej Jaroszynski, deputy chief of mission at the Polish Embassy in Washington, also said, "It was never the intention of the Polish authorities to deny the Holocaust, but to investigate the crime and to bring perpetrators to justice if they are still alive."

According to Eliach's account, her mother and brother were killed in a raid on two houses in Eishyshok several months after the Nazis were driven from the town. Among the 150 Poles who participated in the raid were 80 members of the nationalist Polish Home Army. "The commander gave orders to murder all the Jews - first those in the Sonenson house since the people there are armed, then those in the Kabaczynsk house. He concluded his orders with a slogan popular in the Polish Home Army: 'Poland Without Jews,'" Eliach wrote in the *Times*.

No Polish official denies the shootings, and Jaroszynski carefully avoided any disrespectful comments about Eliach, the creator of a prominent photo exhibit on the shtetl, the "Tower of Life," at the US Holocaust Memorial Museum in Washington. However, Jaroszynski and *Gazeta Wyborcza* raised questions about how complete Eliach's account was. Furthermore, Jaroszynski's letter and the Warsaw newspaper said there was evidence that in Ejszyski, the target may not have been Jews, but a Russian officer "quartered" in the Sonenson home. Eliach may not be aware, Jaroszynski wrote, that "newly opened KGB secret archives throw a different light on her family's tragedy."

The Warsaw paper quoted Jaroslaw Wolkonowski, an historian from Vilnius, as saying that a document from the KGB archives states that "during the disarmament of a Red Army captain and sergeant, Mrs. Sonenson and her infant were killed. In my opinion, Mrs. Sonenson and the child were accidental victims of the shooting,

which was tied to the capture of the captain." Eliach was aware of the Russians, she told the *Post*, adding that they had been invited to the shtetl by her family, who feared a raid by the Home Army. While KGB files mention the Russians, she said, "There is no doubt that the pogrom was intentionally planned to murder the Jews."

"She touched a nerve by bringing the Home Army into this," said one American source who refused to be identified. "This is part of the ongoing struggle to get the history of the Holocaust straight." After cautioning that he was not speaking about Eliach, the source predicted that, with the Holocaust-era archives opening in the former Soviet Union and Eastern Europe, many historical accounts are likely to require fine-tuning or revisions that are bound to upset people. Some observers feared this argument would further trouble Jewish-Polish relations, which have been warming under Poland's president, Aleksander Kwasniewski, whose government apologized for the 1946 Kielce pogrom.

But relations also have been set back by contentious plans for construction near Auschwitz and by delays regarding the restitution of Jewish property. In Warsaw, Adam Michnik, the editor-in-chief of *Gazeta Wyborcza*, chastised Eliach, saying her writing "spreads contempt for all who fought for a free, democratic and just Poland." In his rousing defense, Michnik said the Home Army was battling both Hitler and Stalin. While there were individual anti-semites and criminals in the Home Army, "the extension of the crimes of individuals to the whole heroic and tragic underground freedom-fighter army is a terribly distasteful measure," said Michnik, once a prominent Jewish nationalist.

"Each nation has black pages in its history. How could one accuse its own president that he was a stooge of the Jews, and murder him? Poles did that," Michnik wrote, referring to the 1919 murder of Gabriel Narutowicz. "Likewise, how could another nation accuse its president of being a villain and murder him? Jews did that," he said, referring to the November assassination of Prime Minister Yitzhak Rabin.

The Polish government last year opened an investigation of the Eishyshok incident and sought testimony from Eliach after her story appeared in *US News and World Report*. "A full investigation is necessary to establish the truth, and the guilt or innocence of the accused. This cannot be done without the cooperation of Professor Eliach, the main witness," Jaroszynski said in his letter to the *Times*. "We hope that she will testify."

Eliach, who was saved by a Pole, said the Poles are willing to accept her testimony about Righteous Gentiles, but they are unwilling to accept her evidence that the Home Army "wanted a Poland without Jews and without communists." She has declined to speak with the Polish investigators. Instead, she told *The Jerusalem Post*, "They will have to wait for the publication of my book."

## The International Arts & Crafts Fair Jerusalem

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מלכות האדם



# BUSINESS & FINANCE

Monday, August 19, 1996

## Treasury to raise up to \$1b. in US guarantees

DAVID HARRIS

THE Finance Ministry is to raise \$750 million to \$1 billion of the US loan guarantees in the coming weeks.

Senior Treasury officials, led by Director-General David Brodet are traveling to New York this week to administer the loan raising, the exact amount being determined just before the issue date, subject to the interest rate and conditions on the market.

Israel has already raised \$5.6b. of the \$10b. maximum over a five-year period, which is scheduled to end in 1998, but with the option to extend for a further year.

The loan guarantees were initially approved by Congress to finance the sharp rise in immigrant absorption.

"We are still in a situation where the Israeli economy and society are in the midst of the wave of 750,000 immigrants," Brodet told reporters yesterday.

With more than half of the capital already collected and less than half the program left to run, the Finance Ministry says it is also looking for new sources of capital. In particular, this means the independent raising of money on bond markets.

In December, Israel made its first entry into this area, accruing \$250m. via the Yankee-bonds. The Treasury also announced last week its intention to raise \$750m. on the Eurobonds market over the next three years, including \$200m. to \$250m. before the end of the year.

The proposed financial reforms, growing economic independence, the peace process, and successful absorption of immigrants will give Israel a high rating, said Brodet. "At the end of the day, this will determine the state's ability to raise capital abroad."

## Treasury surprised, perplexed by complications in Hapoalim sale

GALIT LIPKIS BECK and DAVID HARRIS

THE Finance Ministry was unprepared for Claridge-Arison's decision to withdraw its bid for a controlling share in Bank Hapoalim last week and is "clearly unhappy in its wake," senior Treasury sources yesterday conceded.

Uzi Steinberg, chairman of MI Holdings, the state agency in charge of selling the banks, admitted that the tender, now left with only one bidder, may ultimately be canceled. "We already had an agreement of principles and were convinced that everything would work out and that there is no point in exploring other alternatives," he said.

The Treasury has begun to explore other privatization venues, including spin-offs, local and

overseas public share-offerings and the previous government's scheme to sell stock options to the public. Meanwhile, Claridge Vice President Dany Biron yesterday denied rumors in the business sector.

According to the rumors, the consortium had informed the Treasury of its interest in purchasing Bank Hapoalim's share in Koor, subject to the execution of a spin-off of Hapoalim's 22.7% stake in Koor.

"The only thing we have asked the Treasury is to give us back our \$20 million deposit, plus interest," said Biron, who added that the group has just begun to look at

new investment opportunities here but has not yet examined any investments.

Ted Arison's local representatives was not available for comment. The group's other members include Goldman Sachs, the Soros Group and the Renaissance Fund.

As part of the newly revised Banking Law, which compels banks to reduce their holdings in non-financial assets to a maximum of 25%, Bank Hapoalim also must dispose of either its Citicorp holdings by the end of 1996. In the past, the Claridge-Arison consortium mentioned Bank Hapoalim's non-financial assets as a major factor in its designs on the bank, with the aim being to

improve those holdings' performance and then sell them.

Following the Claridge-Arison retreat from the tender, the competing bid - headed by businessman Eliezer Fishman and also including investment house Bear Stearns and US insurance group Reliance - has remained as the sole contender for a controlling share in Israel's largest bank.

The Bank of Israel is currently considering the group's eligibility for the bid.

According to Steinberg, the Bank of Israel is expected to make a preliminary recommendation within a few days. A spokesperson for the Bank of Israel said the decision depends on the Fishman consortium's response to its inquiries.

## Delek profits at NIS 25 million in 2nd quarter

COMPANY RESULTS

DAVID HARRIS and JENNIFER FRIEDLIN

THE Delek Israel Fuel Corporation recorded net profits of NIS 25.3 million in the second quarter, down NIS 0.8m. compared with the same period last year, the company reported yesterday. Revenue from sales totalled NIS 892m., up NIS 92m. on the first six months in 1995, an 11.5 percent increase.

Sales of gas products fell some 43% percent from 610,000 tons to 346,000. This was offset by increased sales in Delek Motors, the importer and distributor of Mazda.

Over the first six months profits reached NIS 53.4m., compared to NIS 52.7m. recorded in the corresponding period last year.

The company's half-yearly report says there has been no significant change in the firm's financial status between January and June.

Company directors have agreed to the distribution of an interim dividend of NIS 8.67m.,

the equivalent of 90% of paid up capital.

Sefen, a subsidiary of Koor Industries engaged in the manufacture of formica panels, reported a second quarter net profit of NIS 1m., compared to NIS 947,000 in the second quarter of 1995.

Net profits in the first six months of the year more than doubled to NIS 2.4m. from NIS 1.13m.

Adamim Israel Mortgage Bank reported a rise in second-quarter net profits to NIS 3.54m. from NIS 3.39m. in the same period last year. In the first six months of the year, net profits rose to NIS 17.5m. from NIS 1.63m.

The Jerusalem Bank completed the first six months of the year with an increase in net profit to NIS 5.66m. from NIS 4.25m. in the first half of last year.

Net return on equity on an annual basis increased to 6.5% from 6.2% in the corresponding period last year.

Elco Holdings, Elco Industries' parent company, reported a second quarter net profit of NIS 26m., compared to NIS 32.2m. in the same period last year. The drop in earnings was mainly due to losses at Shekem, a subsidiary company.

Azorim Properties announced a rise in second-quarter net profit to NIS 9.9m. from NIS 2.11m. in the previous year.

Net profits in the first six months of the year swelled to NIS 11.19m. compared to NIS 2.89m.

## Oman opens trade office in TA

JENNIFER FRIEDLIN

OMAN took another step toward developing trade relations with Israel yesterday when it inaugurated its a trade office in Tel Aviv, three months after Israel opened a trade office in Muscat.

Following the opening, Manufacturers Association president Dan Propper announced that in October, a delegation of Omani businessmen and government officials will visit Tel Aviv for a special seminar on promoting bilateral trade between the countries. The seminar will offer the Israeli and Omani participants the chance to learn about one another's economies and provide an opportunity for people to discuss joint ventures.

Oman, which has been one of the most forthright Arab countries in speaking out for trade with Israel, was the seventh Arab nation to establish a diplomatic presence here.

Omani Foreign Minister Yousef bin Alawi has publicly said that the countries should focus on developing business relations, while diplomacy can wait until all formal treaties are negotiated.

Despite the lack of formal treaties, the business ties seem to be spurring a stronger diplomatic relationship. An Israeli business delegation recently flew to Oman. In December, 85 Israeli firms are expected to show their goods during an exhibition in Oman, and a delegation of businessmen is expected to visit under the auspices of Industry and Trade Minister Nathan Sharansky, Propper said.



A bank employee shows passersby how to identify counterfeit money yesterday outside her bank in Beijing. In 1995, Chinese police confiscated \$12 million in counterfeit bills. (AP)

## Jack Nasser dies at 68

GREER FAY CASHMAN

JACK Nasser, the American-Jewish real-estate and textile magnate who purchased the First International Bank in 1985, died on Friday at 68, after a serious illness, and was buried in Caesarea.

A native of Syria, Nasser had

first come to Israel with members of his family before the establishment of the State.

Following his military service, he and his brothers Albert and Maurice left Israel in the early 1950s and established a tri-continental business empire stretching from the Philippines to Brazil.

They began investing in Israel in the early 1970s. Jacques Nasser made headline news in 1985 when he tried to negotiate a deal to save the bankrupt Kiryat Ata-based Ata textile company, but the sale fell through due to a dispute over government assistance. Ata subsequently closed down.

The next year, he paid \$21 million to the bankrupt Danot Investment Company for a controlling stake in FIBI, the holding company for the First International Bank.

For years he was believed to be a straw man for banker Edmond Safra, founder and owner of the New York-based Republic National Bank, from which Nasser had received a sizable loan towards the acquisition of First International.

In 1990, he sold his FIBI shares to Edmond's brothers Joseph and Maurice, whose banking headquarters are in Brazil.

Nasser, who believed himself to have been cheated out of the ownership of the bank, filed suit against the Safra several months ago, but died before the case was heard.

## BUSINESS BRIEFS

The Finance and Agriculture Ministries have reached a partial agreement over the proposed increases in water prices for farmers. After protracted negotiations, they agreed to a 9.7 percent rise in the price of fresh water, or 6 agra per cubic meter. The Treasury's original proposal was for an average price hike of 13.3%.

The ministries have agreed there should be no increase in the cost of treated sewage water, at least for the time being. However, a joint committee will examine pricing policy in this area. David Harris

Banks charge construction companies exceptional interest in the framework of financing closed projects, according to Sagi Interest, a company engaged in calculating bank interest rates.

Sagi reported yesterday that 18 of the 20 construction companies' accounts it examined were charged exceptional interest. In many cases, the interest rates amounted to 20%-30% of the building projects' total expenses.

Sagi general manager Amnon Shurtz said the banks are to blame for many construction companies financing hardship. He said one of the projects examined revealed that the bank owed the construction company NIS 3m. because of excessively high interest rate charges. Galit Lipkis Beck

Council demands compensation for fund investors: The Israel Consumer Council is demanding that Bank Hapoalim compensate provident-fund investors for damages incurred as a result of the Tsubari scandal which began in 1994. Gmilot deputy managing director Eylon Tsubari was indicted in connection with stock manipulations and illegal use of provident-fund investors' money.

In a letter to Amiram Sivan, managing director of Bank Hapoalim, the council has demanded the bank hand over the report on the damages caused to investors as a result of Tsubari's manipulations. A Bank Hapoalim spokesperson said the bank stands behind its announcement it will compensate provident fund investors for damages incurred as a result of the episode, should there prove to be any. Galit Lipkis Beck

Disposable contacts contract awarded Johnson & Johnson has awarded the franchise to import and market its disposable Accuvue contact lenses to Iricon Import and Marketing. The company said there is a clear trend of shifting from conventional to disposable contact lenses. Galit Lipkis Beck

## Updated brackets for income tax

Jerusalem Post Staff

NET wages are set to increase from September 1 from 2.2 percent to 4%, following last week's announcement of the 3.2% Cost of Living increment. The Finance Ministry yesterday published its updated income tax brackets and tax credit points.

Tax rate	July '96	August '96
15%	up to 3,080	up to 3,280
30%	3,081 - 8,110	3,281 - 8,630
45%	8,111 - 14,690	8,631 - 15,640
50%	14,691 and above	15,641 and above

Tax credit point 130 141

Tax thresholds:	1995	2,115
Single	1,995	2,115
Working woman	2,438	2,585

The adjustment will result in a net monthly salary increase of between NIS 80 and NIS 289. The average wage will now be NIS 4,887 a month. The cost of living increase was deemed sufficiently high to warrant the alterations, which were agreed between the Treasury and Histadrut. The inflation rate is now running at an annual 13%. The July Cost of Living index was 0.3%, considerably less than in previous months.

## ISRAEL MONEY MARKETS

Patah (foreign currency deposit rates) (29.7.96)

Currency (deposit for)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	4.750	4.875	5.375
Pound sterling (£100,000)	3.875	4.000	4.125
German mark (DM 200,000)	1.750	1.875	2.250
Swiss franc (SF 200,000)	1.000	1.125	1.500
Yen (10 million yen)			

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates\* (16.8.96)

CURRENCY BASKET	CHECKS AND TRANSFERS		BANKNOTES		Rep. Rates**
	Buy	Sell	Buy	Sell	
U.S. dollar	3.5123	3.5990			3.5487
German mark	3.1228	3.1732	3.06	3.22	3.1510
Pound sterling	2.0969	2.1308	2.08	2.17	2.1158
French franc	4.8398	4.9177	4.75	4.89	4.8818
Japanese yen (100)	0.6138	0.6298	0.60	0.64	0.6190
Dutch guilder	2.8999	2.9487	2.85	2.99	2.9250
Swiss franc	1.8680	1.8982	1.83	1.83	1.8652
Swedish krona	2.3961	2.4278	2.54	2.67	2.6082
Norwegian krona	0.4704	0.4780	0.46	0.49	0.4746
Danish krone	0.4881	0.4940	0.47	0.51	0.4902
Finland mark	0.5423	0.5511	0.53	0.58	0.5472
Canadian dollar	0.6987	0.7100	0.68	0.72	0.7048
Australian dollar	2.2729	2.3036	2.20	2.35	2.2994
S. African rand	0.8883	0.8974	0.82	0.70	2.4688
Belgian franc (10)	1.0179	1.0344	1.00	1.05	1.0270
Austrian schilling (10)	0.3800	0.3821	2.92	3.08	3.0074
Italian lire (1,000)	2.0572	2.0904	2.02	2.12	2.0761
Jordanian dinar	4.3400	4.8400	4.34	4.84	4.4802
Egyptian pound	0.8500	0.8700	0.89	0.97	1.0004
ECU	3.8527	4.0165			3.8852
Irish punt	0.5147	0.5056	4.92	5.17	5.0570
Spanish peseta (100)	2.4798	2.5198	2.43	2.58	2.5028

\*These rates vary according to bank. \*\*Bank of Israel. SOURCE: BANK LEUMI

**מטרה (TARGET) Mutual Fund for Foreign Residents**

Date: 15.8.96

Purchase Price: 148.47

Redemption Price: 146.27

למכירת פיקודים

**פריים (PRIME) Mutual Fund for Foreign Residents**

Date: 15.8.96

Purchase Price: 109.81

Redemption Price: 108.34

למכירת פיקודים

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ISRAEL DISCOUNT BANK

**INTERPHARM LABORATORIES LTD. Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Shareholders of InterPharm Laboratories Limited will be held at the corporate offices of Ares Services S.A. at 15 bis, Chemin des Mines, 1202 Geneva, Switzerland on Monday, September 2, 1996, at 09:30 a.m. (local time) for the following purposes:

1. Receiving the Director's report for the year 1995.
2. Approving the year-end 1995 financial statements.
3. Electing a Board of Directors of eight members to serve until the next Annual General Meeting of Shareholders and until their respective successors are duly cleared and shall qualify.
4. Appointing Kesselman & Kesselman as the independent public accountants of the Company for the fiscal year ending December 31, 1996 and empowering the Board of Directors to determine the basis of their compensation.
5. Acting upon other matters that may properly come before the Meeting or any adjournment thereof.

Shareholders who were registered in the register of the Company at the end of the business day of August 7, 1996 are entitled to receive an invitation to the said meeting, participate and vote in it. Shareholders holding shares through banks or similar institutions must secure proxies from such institution indicating their share ownership as of August 7, 1996. The register of the Company, Shareholders materials and proxy forms shall be sent in the mail to the Shareholders listed in the register of the Company. Shareholders not appearing in the register of the Company may request such materials to be mailed to them by mailing or by fax to fax no. 03-6107528 a written request with an appropriate mailing request to: Kohnhendler & Halevy Law Offices, 30 Kalisher St., Tel Aviv 65257, accompanied by a proof of ownership and number of shares.

Date: 19.8.96

Frangoules Naef Secretary

מאמר מן אל-אס

German AEG official killed by hijackers



Key Representative Rates

Table with 2 columns: Currency, Rate. Includes US dollar, Sterling, and Mark rates.

Palladium hits lowest point since January '94 COMMODITIES ROUNDUP

PALLADIUM hit its lowest point since January 1994 on Friday, and pulled the rest of the precious metals complex down with it.

An analyst said that palladium tends to be a bellwether for platinum. They have a lot of the same end uses and often come from the same mines.

Gold and silver traded in a narrow range with featureless activity, overshadowed by palladium, traders said.

High grade copper futures closed lower on Friday after a spate of bearish news hit the market.

As some forecasters call for more rain to come into the Corn Belt this week, soybean futures fell, pressured by late, light fund selling.

Grain futures ended lower on Friday, with corn settling at its lows, while wheat closed in mid-range after a very quiet session.

Wheat traded lower all day Friday, opening weaker and extending losses to make new weekly lows in most contracts.

Cotton futures ended lower on the day, with December dropping to settle just off session lows.

The monthly cotton consumption report, due out this Thursday, is expected to be friendly to cotton prices.

October world sugar futures settled slightly lower on the day on early commercial trade selling and speculator liquidation.

September coffee futures settled slightly lower on the day amid selling and buying by speculators.

German AEG official killed by hijackers

JOHANNESBURG (Reuters) - A 48-year-old German businessman who had wanted to emigrate from South Africa with his young family was shot and killed by four armed hijackers this week, police said over the weekend.

China: US arrogant on Iran, Libya sanctions

BEIJING (Reuters) - China said yesterday that the United States was arrogant and using the pretext of terrorism to dictate policy with its tough new law on foreign oil companies investing in Iran and Libya.

It said the US was "standing lonely and condemned worldwide" on the so-called D'Amato law, which allows Washington to impose sanctions on foreign com-

panies that make new investments of more than \$40 million in either Iran or Libya.

"The United States was actually practicing interventionism to make itself a dictator of international political and economic affairs on the pretext of anti-terrorism," the Chinese news agency Xinhua said.

"Placing its own law above international laws and practicing

extra-territoriality showed incivility the US hegemonial ideology of overweening arrogance, and that those who submitted would prosper and those who resisted would perish," it said, quoting the news weekly Outlook.

The law, signed by US President Bill Clinton this month, seeks to penalize the two countries, which the US contends are chief states sponsoring terrorism.

The move has triggered a chorus of criticism from Washington's friends and foes alike, with Japan, the European Union, and Australia all voicing objections.

French President Jacques Chirac has said Paris would retaliate for any sanctions against French companies.

Xinhua said the move betrayed a lack of confidence in the US over the actions of its allies.

Left warns Italian government over telecom privatization

ROME (Reuters) - Italy's center-left government, already threatened with possible mass strikes over trade union pay claims later this year, faces more turbulence over plans to privatize state telecom firm Stet.

The hard-left Communist Refoundation, whose 35 deputies hold the balance of power in the lower house of parliament, warned that any attempt to bypass them by cutting a deal with the opposition would provoke a crisis.

Communist Refoundation is resolutely opposed to the privatization of Stet and other state firms, and has said that there is no room for compromise.

Party president Armando Cossutta yesterday told the leftist daily L'Unita that his party is totally opposed to planned privatizations of the telecom and energy sectors.

"We consider these sectors to be decisive and the locomotives for the economy of a modern and advanced country. Just as the steel industry was decisive in the past," he said.

The hard left's tough stance has led to speculation that Prime Minister Romano Prodi's government might look to the center-right Freedom Alliance opposition for help.

Gerardo Bianco, leader of the centrist Popular Party, a member of the center-left coalition, was quoted in newspapers as asking the center-right opposition to support privatization legislation for the good of the country.

A bill setting up a regulatory body for the telecommunications sector is part of legislation still to be passed before the Stet sale can go ahead. The government wants the privatization completed by next spring.

"Italy cannot be allowed to fall because of the whims of Communist Refoundation," Bianco said.

Far-right National Alliance deputy Maurizio Gasparri was quoted as saying that the Freedom Alliance might back the government on Stet legislation in exchange for a deal on privatization of state broadcaster RAI.

His comments were however later contradicted by AN's economic expert Gaetano Rasi, while center-right CDU leader Rocco Buttiglione said his party would not back Prodi because the proposed privatization appeared "too cautious."

Oliviero Diliberto, Refoundation's parliamentary party leader in the lower house, insisted that any attempt to make a deal with the center-right would be fatal for a government that needs Refoundation's political backing to survive.

"Gasparri's words are surprising and hide a mortal intrigue for the government," he said. "AN promises its own votes in parliament to push the privatization through. But it's clear that this could only cause an immediate crisis."

US courts may have last say on smoking curbs

WASHINGTON (Reuters) - President Bill Clinton intends to act soon to announce new curbs on youth access to tobacco, but exactly when they take effect may be up to the courts, people familiar with the issue say.

The tobacco industry filed a suit a year ago, when the rules were first proposed, challenging the Food and Drug Administration's legal authority to regulate tobacco.

Tobacco Institute spokesman Brennan Dawson said the industry was ready to go to court again if necessary once the final regulations are issued.

"The industry shares the goals of reducing youth smoking, but there remains the very basic legal issue of whether the FDA has jurisdiction over tobacco," Dawson said in a telephone interview.

After reviewing hundreds of thousands of comments, the FDA sent the White House its final proposals last week.

The rules are thought to be little different from those President Clinton proposed last year in an effort to stop minors from starting smoking.

Cigarette companies would have been barred from placing billboard advertising within 1,000 feet of schools and playgrounds.

It was also proposed to require age-verified and face-to-face sales and eliminate mail-order sales, vending machines, free samples, self-service displays and sales of

fewer than 20 cigarettes. Clinton also urged that sales or giveaways of caps or gym bags with tobacco company logos be prohibited, as well as brand-name sponsorship of sporting or entertainment events.

Administration officials who requested anonymity said it did not appear that the FDA had made significant changes.

The White House has said the rules would be issued before the November 5 presidential election. Others, close to the rule-making procedure, said they could be issued as soon as this week to go into effect in 90 or 120 days.

Then it would be the courts' turn, but a leading tobacco foe, Action on Smoking and Health (ASH), saw little chance the industry would succeed in trying to delay the restrictions.

FDA Commissioner David Kessler, a lawyer as well as a doctor, has found support in President Clinton to regulate tobacco as a drug.

Kessler, a pediatrician, has called smoking a children's disease because almost all smokers start in their teens. The FDA cites figures showing that 3,000 youths a day start smoking and 1,000 of them end up dying sooner because of it.

Assessing legal action, the Tobacco Institute's Dawson said the core issue was whether the FDA had authority to regulate tobacco - the industry believes it does not.

Teva leads shares upwards

TEL AVIV STOCK MARKET

ROBERT DANIEL



SHARE indexes rose about 0.5 percentage point yesterday, led by Teva Pharmaceutical Industries Ltd., as investors focused on the possibility that the central bank will cut interest rates.

"Today was Teva's day," said Dror Kraus, who manages about \$15 million for the Koor Investment House in Tel Aviv.

The Two-Sided Index rose 0.57 percent to 176.78. The Maot Index added 0.44 to 187.14.

Across the Tel Aviv Stock Exchange, NIS 55m. of shares traded, 17% less than the month's daily average of NIS 66m. and 28% less than last month's NIS

76m. Three issues rose for every two that fell.

Teva was the most active stock, rising 6.25% on NIS 4.5m. of shares traded.

The drug maker reported Thursday that second-quarter earnings before merger expenses fell 15%. Analysts said that in a conference call, the company was upbeat about its prospects.

Teva American depositary receipts traded in New York bounced off a three-month low 30 1/2 on Wednesday to finish the week at 32 7/8. Traders yesterday made up the arbitrage gap that opened Thursday and Friday.

Airbus drops its legal dispute with Boeing

NEW DELHI (Reuters) - Aircraft maker Airbus Industrie said that for the time being it has shelved plans to take legal action against Boeing for remarks the European consortium says its US rival made in sales negotiations with Air-India.

Last month, Airbus said Boeing had claimed the cruise speed of the Airbus 340 was lower than that of Boeing's 777, and that it was preparing legal steps against Boeing. Airbus says the planes have comparable cruise speeds.

Airbus and Boeing, along with US plane maker McDonnell Douglas Corp. are vying for an Air-India order which industry officials said could involve up to 20 aircraft worth some \$2 billion.

"We consider that Boeing has made statements that come down to public denigration," an Airbus spokesman said in July. "Boeing made remarks which were extremely controversial, coming close to defamation."

But in New Delhi on Friday, Airbus officials said they were no longer preparing legal action. "They [Boeing] have accepted what we have had to say," Airbus spokesman David Vempillai said. "So no further action is expected for the time being." He did not elaborate.

Boeing officials said that in comparing the 777 and the A340, the US firm only quoted aviation journals. Boeing India president Dinesh Keskar said he could not comment on Airbus's decision.

Last week in the Indian capital, senior officials of Airbus, Boeing, and McDonnell Douglas made presentations to Air-India.

The Indian carrier serves 40 major destinations on five continents and is looking for long-distance, medium-capacity aircraft to boost a sagging market share.

Prime Minister H.D. Deve Gowda's government is expected to choose from among the three aircraft makers before the end of the year.

Airbus executives recently estimated the market for new planes in the Indian subcontinent - India, Pakistan, Bangladesh, and Sri Lanka - at 400 planes worth \$30 billion in the next two decades. More than half will be for India.

Airbus Industrie is a consortium made up of French state-owned Societe Nationale Industrielle, British Aerospace Plc, Daimler-Benz Aerospace, a unit of Daimler-Benz AG, and Construcciones Aeronauticas SA of Spain.

Airbus said the four-engine A340 can fly without stopping for some 14,000 km., farther than the 777. That makes the A340 particularly attractive to business travelers, the European consortium says.

Political worries keep Thai baht under pressure

PHUKET, Thailand (Reuters) - The Bank of Thailand is unlikely to change its baht fixing policy this year following assurances by its governor, but currency dealers expect the baht to remain under pressure due to political uncertainty.

Foreign exchange dealers from four South East Asian countries said Thai central bank governor Rengchai Marakanoon's remarks that he was happy with the baht's current value should help relieve some pressure on the Thai currency.

Rengchai also told over 100 dealers from South East Asia on Saturday his bank would not hesitate to enter spot and forward currency swap markets to defend the baht which has faced intermittent rumors of devaluation in the past two weeks.

But some dealers attending the seminar here said Prime Minister Banharn Silpa-archa's shaky coalition government would discourage them from taking baht positions next week.

"Banharh's performance has been one disappointment after another. He has consistently put partisan interests above national interests by handing out ministerial jobs to unqualified people based on coalition quotas," said a chief dealer at a Thai bank who asked not to be identified.

Banharh has resisted growing calls for him to step down ahead of a no-confidence debate against him in parliament early next month.

During his 13-month period in office, Banharh has struggled to hold his trimmed, six-party coalition together amid signs of wavering support from some partners.

The sudden pullout by the 23-seat Palang Dharma Party early last week has placed his administration under renewed pressure.

The chief dealer, echoing the view of other foreign exchange traders, said Thailand needed a change of leader and warned the longer Banharh stayed the more damage he was likely to inflict on the economy.

Opposition politicians said they would attack Banharh whose government had been tainted by scandals, including an allegation 10 days ago that bidders for three new Thai bank licenses had been asked to pay billions of baht in kickback fees.

Banharh has denied the allegation but his cabinet agreed last week to investigate the claim.

Central bank governor Rengchai Marakanoon's remarks that he was happy with the baht's current value should help relieve some pressure on the Thai currency.

Rengchai said Thailand had no plans to abandon its practice of fixing the baht against a basket of currencies.

His blunt warning came after the central bank intervened in Singapore and Hong Kong swap markets for the first time early this month to ease pressure on the baht.

"While we don't want to be tested, we are certainly prepared and equipped to do whatever is necessary to preserve the value of our currency. That is one of the basic missions of the Bank of Thailand," he said.

Edmond Teo of WestDeutsche Landesbank said few Singapore-based dealers seriously expected Thailand to devalue the baht, although some dealers may have exploited trading opportunities arising from devaluation rumors in late July and early August.

Teo said Singapore dealers would view any political change in Thailand as a short-term adjustment that would not alter their overall bullish long-term outlook.

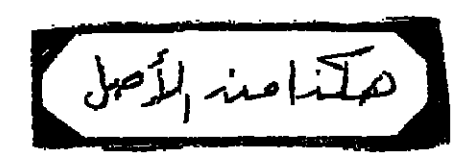
Ng Yang Chong of National Westminster Bank Plc said Thailand was among a number of Asian countries facing export and economic slowdowns.

Thai exports rose 5.7 percent year-on-year during the first half of 1996, slowing from a 26.9% rise a year earlier.

The governor insisted that Thailand's projected 7.8% gross domestic product growth this year should not be regarded as recessionary. However, the figure would be well below the average 8.5% expansion achieved in the past five years.

TEL AVIV STOCKS table with columns for Multi-sided trading and Two-sided trading. Includes various stock symbols and prices.

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# Arrow's next test: Intercept surface-to-surface missile

STEVE RODAN

THE operational model of the Arrow missile will for the first time try to intercept "an enemy" ground-to-ground missile in its forthcoming test, scheduled soon, defense sources said yesterday.

The sources said the Arrow 2 will be launched from a site along the Mediterranean coast and seek to intercept another missile fired several kilometers away. Project managers aim to steer the Arrow close enough to the incoming missile so the interceptor detonates an explosive charge that would cripple the enemy warhead.

The launch will be the first of four tests of the Arrow 2's missile intercepting capability. The prototype Arrow 1 managed to intercept a missile in one of its last tests, but the Arrow 2 is a smaller weapon with two stages.

Arrow managers said the planned tests could be the most important stage in the eight-year-old project. They said their success will determine whether an Arrow anti-missile defense system would be operational by the end of the decade. So far, both US and Israeli participants in the project have expressed satisfaction with the progress of Arrow 2 and the level of cooperation.

US and Israeli defense officials have agreed to give the Arrow high priority following efforts by Middle Eastern countries to develop sophisticated ground-to-ground missile systems. These include Egypt, Iran, and Syria - all of which have been upgrading old Soviet Scuds with the help of China and North Korea.

The current \$322 million Arrow 2 project is being financed mainly by the US, with Israel contributing 28 percent of the cost. The US is also helping Israel fund deployment of the missile defense system, which includes radar and ground stations.

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Police escort a 15-year-old haredi youth, who was arrested for throwing stones on Rehov Bar-Ilan, into court yesterday, but his trial was postponed until today. The youth is to be held until the end of his trial. (Brian Hendler)

### WEATHER

Jerusalem 19-31  
Tel Aviv 22-30  
Haifa 22-33  
Beersheba 22-32  
Ashdod 21-30  
Samarra 21-30  
Afula 23-34  
Tiberias 21-30  
Golan 18-30  
Dead Sea 30-40  
Eilat 29-41

Forecast: Partly cloudy to clear. Slight drop in temperatures.

### AROUND THE WORLD

	LOW	HIGH	WIND	SEA
Amsterdam	13	20	SW 10	ch
Buenos Aires	13	20	SE 10	ch
Cardiff	13	20	SE 10	ch
Chicago	18	25	SE 10	ch
Copenhagen	13	20	SE 10	ch
Geneva	13	20	SE 10	ch
Helsinki	13	20	SE 10	ch
Hong Kong	23	30	SE 10	ch
Jakarta	23	30	SE 10	ch
London	13	20	SE 10	ch
Los Angeles	18	25	SE 10	ch
Moscow	13	20	SE 10	ch
Munich	13	20	SE 10	ch
New York	13	20	SE 10	ch
Paris	13	20	SE 10	ch
Rome	13	20	SE 10	ch
Sydney	13	20	SE 10	ch
Tokyo	13	20	SE 10	ch
Vancouver	13	20	SE 10	ch
Vienna	13	20	SE 10	ch
Zurich	13	20	SE 10	ch

## First drillings begin on Tel Aviv subway

DAVID HARRIS

TEL AVIV'S first subway line will be operational within five years, Mayor Ronni Milo said yesterday.

He was speaking as the first of 30 initial test drillings for the \$5 billion system began.

For each 20 kilometers of line, the cost will be \$1.4 billion, Ilk Rozansky, director of the Tel Aviv Metropolitan Administration for the Mass Transit System, told reporters.

The purpose of the boring is to assess the quality of the land and ascertain the appropriate depths at which the subway tunnels should be constructed. Twenty-two of the test sites are in Tel Aviv and Jaffa; eight are outside the city. The first tests are being conducted at Jerusalem Boulevard and near the railway station on Arlozoroff Street.

The holes are being sunk to a maximum depth of 45 meters, with a 15 centimeter diameter. The work will continue for three days at each location, using a mobile drill operated from the rear of a truck.

This operation is one of a series aimed at working out the best drilling methods and use of technology in preparation for full-scale mining.

City Hall statistics suggest some half-a-million vehicles enter the metropolis every day, and that is likely to increase to 750,000 by the end of the century. The city's administration says the roads are no longer able to cope with the traffic, making the subway an increasingly urgent requirement.

Without a widespread transportation network, the city will become one giant traffic jam, and the heart of the country will be in a state of paralysis," according to a statement from City Hall.

The municipality is taking the lead in the project alongside the Transport Ministry, despite the creation of the National Infrastructure Ministry, which has taken over responsibility for rolling stock and railway lines.

In the coming weeks, the final preparations for the key multi-million dollar tender will be completed and the relevant legislation will be introduced in the Knesset to pave the way for the appropriation of land.

By December, the first routes of the subway system will have been decided, said Rozansky. The major contractors will come from abroad, but domestic companies will also play a significant role in construction, he added.

## Airports Authority: Security checks used as excuse to bump passengers

HAIM SHAPIRO

AIRLINES are using security delays as an excuse to bump excess passengers when there is overbooking, Airports Authority spokesman Yehiel Amitai charged yesterday.

Amitai made the charge in an atmosphere of increased tension between the airlines and the authority, as passengers continue to miss flights, apparently because of long delays in security checks. Airline sources suggested that the authority is deliberately heightening the problem in order to speed up authorization for Ben-Gurion 2000, the planned new terminal.

Amitai reacted angrily to such charges, saying that the authority had invested \$50 million during the past year in making the present airport more amenable. However, he added, the authority has warned, over the past three years, that the present terminal could not handle the growing pressure and the results are now being seen.

Among the temporary measures taken, Amitai said, are the expansion of the departure hall by 2,500 square meters and the erection of an additional new terminal for charter flights. There are also new baggage conveyors and three new baggage x-ray machines in the departure hall, each costing \$1 million.

While refusing to disclose the number of security checkers, Amitai said that the authority had recently hired 10 percent more. However he would not comment on reports that many of the checkers will be leaving their jobs at the start of the academic year.

The airline sources also said that Ben-Gurion Airport director Shaul Hazan was to have met yesterday with the airline station managers to discuss the delays, but that he put off the meeting until next week. Amitai denied that any such meeting had been scheduled for yesterday.

## OC Home Front Command attempts to calm northern residents

DAVID RUDGE

OC Home Front Command Maj. Gen. Shmuel Arad and senior IDF officers met with the heads of Haifa's bayside suburbs yesterday, following reports that Hizbullah may have acquired long-range Katyusha rockets theoretically capable of reaching the region.

Arad's message was primarily aimed at calming fears and putting the potential threat into perspective. He reiterated that there is no concrete evidence that Hizbullah possesses rockets with a 40-km.

range that could threaten northern parts of the bayside suburbs. "I think that with all that has been published, to be completely accurate, what has been said is that there is no certainty about the existence of such weapons on the other side," Arad told reporters.

"I believe that if, in the future, there is such a certainty or intelligence that there are such weapons, we will know how to give [appropriate] solutions."

Arad stressed that, even if Hizbullah does have long-range Katyushas, there is only a theoretical prospect of them being fired against the bayside suburbs.

Nevertheless, Kiryat Motzkin Mayor Haim Zury said there is a likelihood, not a certainty, that there are such weapons and the councils will prepare accordingly. He said teams of engineers from the Home Front Command

would visit the bayside suburbs, particularly Kiryat Motzkin, Kiryat Bialik, and Kiryat Yam in the coming weeks to assess the bomb shelters in the towns.

Zury noted that one of the main problems in his town centers around older districts where shelters, where they exist, are inadequate and subject to flooding.

The councils have established a bayside suburbs forum, along similar lines to that of the "confrontation line" communities in the North, in order to be prepared for any eventuality.

## One dead as fraud charged in Lebanese election

BEIRUT (REUTERS) - One man was killed and rival candidates swapped charges of bribery, intimidation, and gangsterism yesterday, as Lebanon's parliamentary elections got under way in Mount Lebanon, the Christian heartland.

Polling was brisk in some areas, as a part of the divided Christian minority ignored calls from hard-line anti-government leaders at home and abroad to repeat a massive boycott they staged at the last elections in 1992.

Some 450,000 of Mount Lebanon's 656,000 voters are Christians and the region, voting to elect 35 deputies to the 128-member parliament, has the reputation of being a bastion of opposition to Syria's domination of Lebanon.

Police and independent observers reported at least four incidents of fist fighting or gunfire as the region voted in the first of five rounds of polling to be held in different parts of the country on consecutive Sundays.

The dead man was named as Akram Arbid. Police sources said he died after a brawl at a polling station in the mainly Druse district of Schweifat, near Beirut.

At Btair in the Druse-dominated Aley district, troops intervened to stop a polling station brawl, arresting several people and halting voting for an hour, security sources said.

Opposition candidates and an independent watchdog group reported dozens of incidents of alleged violations by government supporters in the key North Metn district, where Interior Minister Michel Murr faced a challenge from prominent leaders of the resurgent Christian opposition.

Murr was responsible for organizing the election, and independent observers said the alleged abuses in North Metn were some of the worst since Lebanese independence in 1943.

"In the Metn I'm convinced that if there is any law, the vote there should be canceled. It's a joke. It's not at all a free and fair election by any stretch of the imagination," Paul Salem, secretary-general of the private Lebanese Association for the Democracy of Elections (LADE), told Reuters.

Lebanon has not seen so much intimidation and fraud since notoriously corrupt elections in 1947, Salem said. However, voting went smoother in the other five districts of Mount Lebanon that voted yesterday, he added.

## No dramatic changes expected in Lebanese poll

DAVID RUDGE

THE parliamentary elections taking place in Lebanon are a further sign of the country's return to normalcy, according to Middle East expert Dr. Yossi Olmert.

He stressed, however, that the outcome of the current voting would have no more overall effect on control of the country than the results of the previous elections in 1992.

"These are the second elections taking place under relatively normal conditions, notwithstanding the semi-boycott by Christians last

time," said Olmert. "There might be a partial boycott by Christians this time as well, although it is unlikely to be massive. In any case, such a boycott would have little significance because the system continues to operate."

"There is a government, there is a chamber of deputies and, over and above all of this, there is Syrian domination. The entire Lebanese system is under the shadow of the Syrians."

"The conditions there are by-and-large a token of Syria's great success in implementing its policies - in pacifying Lebanon, getting the system back to a normal state, and linking it to Syria's policy and designs," he said.

"This latter aspect can be seen in the peace process through Lebanon's rejection of the 'Lebanon First' plan, because it is not in the interests of the Syrians."

Lebanon, according to Olmert, has "to all intents and purposes become a Syrian colony. The outcome of the elections is unlikely to change that, unless there is a dramatic anti-Syrian vote, which I don't expect."

Olmert said Hizbullah, which has eight seats in the outgoing Lebanese parliament, is likely to win about the same number in the new elections. "They may get more, or even a few

less. The actual number of seats doesn't really matter, however, because they already have an influence on Lebanese politics through causing trouble in the south. They are a part of any arrangement in the south."

"They are also influential because they are operated by Syria and Iran and because they are strong among the Shi'ites, who remain a discriminated element and who are still yearning for a fundamental change in the Lebanese system to satisfy their own interests," said Olmert.

He added that the elections are likely to be problematic, amid allegations of fraud and vote fixing, and it would probably take some time before the results are finally announced.

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